



Adopted Annual Budget
Fiscal Year 2014/2015
Las Vegas, Clark County, Nevada



Adopted Annual Budget
Fiscal Year 2014/2015

Prepared by the Finance Department
Under the supervision of
Rana D. Lacer, CPA, CGMA, Sr. Vice President of Finance
and
Shannon Swaner, CPA, Director of Finance & Accounting

Las Vegas Convention & Visitors Authority
3150 Paradise Road
Las Vegas, Nevada 89109-9096
(702) 892-0711
www.lvcva.com

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May 15, 2014

**To the Board of Directors
Las Vegas Convention and Visitors Authority (LVCVA)**

It is with great pleasure that I respectfully submit the fiscal year (FY) 2015 budget for your review and consideration. The annual budget represents the expected revenues and planned expenditures for the fiscal year beginning July 1, 2014 and ending June 30, 2015. The FY 2015 budget reflects Board and organizational priorities, and follows the fundamentals of our financial management policies. This budget is the product of many months of work on the part of all the members of this organization. It has been prepared in conformance with the requirements of state law, Board policies and governmental budgeting “best practices”.

The mission of the Las Vegas Convention and Visitors Authority:

“To attract visitors by promoting Las Vegas as the world’s most desirable destination for leisure and business travel.”

The LVCVA has the sole responsibility to market Las Vegas and Southern Nevada as a travel destination. Resorts advertise and market their individual properties, while the LVCVA markets the destination as a whole. Our mission is fulfilled primarily through national and international advertising campaigns, sales efforts, public relations, special events and operation of the Las Vegas Convention Center (LVCC) and Cashman Center. The LVCVA also markets Laughlin, Mesquite and the outlying areas of Southern Nevada.

PREFACE

The FY 2015 budget was prepared during our fourth consecutive period of year-over-year revenue growth following a recession that affected not only Southern Nevada but national and global economics. The LVCVA reacted nimbly and effectively to the impacts of the recession, implementing significant cost reduction measures in FY 2009 through FY 2011 in alignment with a plan developed by management during the initial signs of the downturn. Tourism, which is the backbone of the Las Vegas economy, was one of the first industries to show signs of recovery. Since the depth of the recession 19,000 new jobs have been created in the tourism industry within Southern Nevada. Las Vegas is an international destination with 17% of visitors from international markets and part of the global economy which is also showing some signs of recovery. As revenues have exhibited recovery and stabilization over the last three fiscal years, management has restored funding as appropriate to enhance our marketing and operating initiatives. Total room tax forecast in FY 2015 is expected to exceed the pre-recession peak level. The increases are driven by growth in visitation, average daily room rate and occupancy. Recent reinvestments in the destination from resort partners and other local businesses also give cause for optimism.

We look toward moderate growth in the long-term while remaining alert to economic factors and other key visitation statistics that could affect future results.

The LVCVA is prepared to lead by example and has reinvested in the future growth of the tourism market for Las Vegas and Southern Nevada. The organization has unveiled its long-range plan for the Las Vegas Global Business District (LVGBD). The transformational project is designed to launch Las Vegas decades ahead of competing cities and further develop Las Vegas as an international business destination. As the tourism industry navigates through economic ebbs and flows, the LVCVA will continue to assess its position with a commitment to remain flexible, responsive and timely. The FY 2015 budget resource allocations align with the objectives of the LVCVA's core mission.

FY 2015 BUDGET ENVIRONMENT

The fiscal year 2015 budget development comes at a time when we have seen consistent positive indicators of stabilization and recovery in Southern Nevada. After tremendous financial stress during the recession, FY 2011, 2012 and 2013 room tax growth was positive each year and reflects cumulative increase of 31.9% over FY 2010 results. Current fiscal results for FY 2014 are on pace to achieve the forecasted 5% increase year over year. The forecast for FY 2015 indicates improvement as consumer confidence stimulates discretionary spending on business and leisure travel. Due to these factors, FY 2015 room tax revenues project growth of 4% which is equivalent to the peak revenue level of FY 2008. Projections also indicate visitor volume in Las Vegas will reach 40 million in 2014. This represents a 1% increase from 2013 and would be the highest visitation in Las Vegas history.

The organization's Strategic Business Plan, which was developed in FY 2011, identified three phases for the tourism market: **Stabilization**, **Revitalization**, and **The New Reality**. Data indicated that FY 2011 was a significant period of 'Stabilization' for Southern Nevada as declines leveled out and economic indicators began to improve. FY 2012 continued increases in revenues, signaling a period of 'Revitalization'. The final market phase, 'The New Reality' acknowledges that the travel industry changed during the three-year recession and "normal" would be based on a new benchmark. FY 2013 and FY 2014 progress to date is consistent and these single digit increases align with normal economic growth patterns. These increases set general boundaries for our future expectations and represent the "New Reality".

The LVCVA continually monitors other key visitation statistics to ensure appropriate budgeting of our key revenue source. For the 2013 calendar year average daily auto traffic was up 2.2%, Clark County gaming revenue increased 2.9% and deplaned passengers at McCarran International Airport was up 0.5%. All of these factors point toward continued recovery for the destination. The LVCVA also reviews tourism data at a more macro-level which indicates growth in leisure and business travel. In November 2013 the US Travel Association forecasted increases in United States travel for total domestic and international visitors to and within the US in 2014 and 2015. Although these are good signs for the local economy, the LVCVA is keenly aware of national and global economic conditions as well as legislative actions that could affect future revenue. Conservative budgeting techniques are used to combat these potential risks as well as monitoring the environment. Long-term plans for LVCVA expansion, as described below, are phased to align with revenue streams.

Significant private investor optimism is also taking place in Southern Nevada. Long-term private investor confidence in Las Vegas is evident with \$9 billion worth of projects announced or under construction over the next several years.

In addition, the destination will welcome the openings of many much anticipated projects this year, maintaining Las Vegas's reputation as a premier travel destination.

Caesars Entertainment will open the Strip's first standalone luxury boutique hotel and casino, the Cromwell. The \$185 million renovation features a 65,000 square-foot indoor/outdoor Drai's Beach Club and Nightclub. Caesars also debuted the \$550 million dining, shopping and entertainment district, The LINQ. The LINQ's focal point changed the famous Las Vegas skyline in March of 2014 when the world's largest observation wheel, the 550-foot high Las Vegas High Roller opened.

The \$415 million SLS Las Vegas with 1,600 rooms is located on the site of the former Sahara Hotel and Casino and includes 80,000 square-feet of flexible event sites and will open Labor Day 2014. In the fall of 2014, MGM Resorts will launch the Delano Las Vegas, a rebranding of THEhotel at Mandalay Bay. Bally's Las Vegas has announced plans for the Grand Bazaar Shops, a 55,000 square-foot outdoor shopping experience with more than 150 shops. The South Point Arena and Equestrian Center is undergoing a new multi-million dollar expansion project called the Priefert Pavilion, which adds two new climate-controlled arena venues and more than 100,000 square feet to the existing South Point Arena.

The downtown renaissance continues with the opening of new attractions and entertainment options. The former Lady Luck Hotel and Casino has been transformed into \$100 million Downtown Grand Las Vegas. Container Park, a new \$20 million concept in dining and retail, also opened in 2013 drawing visitors to the area. By the end of this year, Fremont Street Experience will unveil the \$11 million downtown zipline known as "SlotZilla."

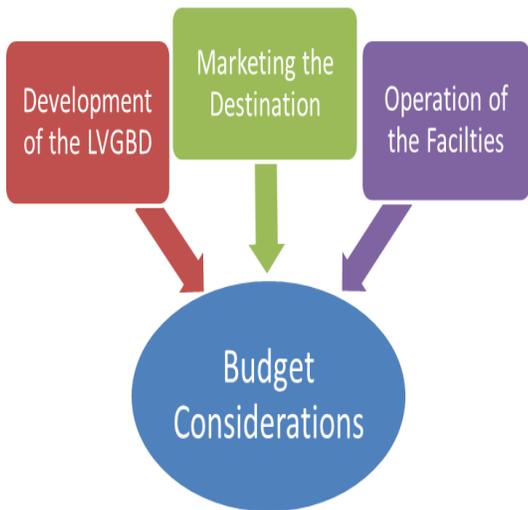
Looking ahead, more bright spots on the horizon include the Malaysia-based Genting Group's multi-billion dollar Asian-themed resort complex on the Las Vegas Strip. Resorts World Las Vegas will include 3,500 rooms, luxury dining and shopping and half-of-a-million-square feet of convention space on the 87-acre site. It is expected to open in 2016. Across from the SLS property, MGM Resorts and Rock in Rio are partnering with Cirque du Soleil to construct the Vegas City of Rock, a 33-acre open air concert venue with a capacity of 80,000, and five stages. The venue is scheduled to open in May 2015 with the American debut of the Rock in Rio music festival. In addition, MGM Resorts Mandalay Bay is expanding its award-winning convention center. The \$66 million investment will add more than 350,000 square feet of exhibit space as well as underground parking and ballroom space, and allow Mandalay Bay to grow shows, pursue new partners and achieve greater utilization of the facility. The new exhibit space is expected to be completed by August 2015, elevating its exhibit space ranking from No. 11 to No 5. in North America. MGM Resorts International and AEG have also announced plans for a 20,000 seat arena to be located west of the Las Vegas Strip between New York-New York and Monte Carlo resorts. The \$350 million arena is expected to open in 2016.

Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. These multi-million dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

The LVCVA remained fiscally sound during the recession because of a conservative fiscal management strategy. As is always its practice, the LVCVA builds flexibility into every facet of the planning process, allowing for continuous adjustments in reaction to changes in the market place. That flexibility and responsiveness enabled the Authority to commence a restoration plan as revenue streams recovered. The plan called for incremental reinvestment in marketing and operational activities that ensure the destination's long-term success as revenues grow.

The LVCVA incrementally restored funds in each of the nine categories including reinvestment in our facilities and infrastructure while managing costs for services. Continued growth in the revenue base during the past three fiscal years allowed the LVCVA to allocate resources to capital projects to sustain our operational excellence. These deferred maintenance programs are completed and therefore, FY 2015 capital projects transfers from the General Fund have been decreased as compared to the prior year. This is strategic in nature as the LVCVA continues to look at long-term financial plans through alignment of resources to critical operating activities. Future capital funding will be targeted to complement and align with the LVGBD expansion and renovation program.

Major Planning Objectives When Preparing Long-Range Financial Plans



The LVGBD will position the organization for continued long-term success and expand the reach and impact of the Las Vegas brand. The program concept includes a vision for the LVCC and surrounding neighborhood, transforming it into an international business center. There are three major conceptual components. The first is an international business center to expand and leverage the World Trade Center designation which will help us increase our business opportunities around the world. Next is major expansion and renovations to the LVCC. This will add additional exhibit space, meeting rooms and general session space, upgrade technology, add new food and beverage outlets and create a true convention center district. Finally, the plans call for development of a transportation center on campus to improve connectivity through a centralized hub. This will help our visitors move around the resort corridor and improve overall customer experience.

This project will be completed in phases over a ten year period, with an estimated total budget of \$2.3 billion dollars. Although projected to be located on the LVCVA campus, the transportation hub component of the program will be funded by the entities that would use the space through their own financing mechanisms. LVCVA issued \$50 million dollars of general obligation bonds in FY 2014 related to the first phase of this project. This initial phase includes programming and design, the development of overall budget, improvements to the current space at the LVCC and land acquisition. In order to properly align with this long-term prospective capital funding from the General Fund for FY 2015 budget is reduced from prior year levels and is dedicated to capital projects that will complement long-term LVGBD plans.

The LVCVA anticipates issuing an additional \$100 million in new debt over the next 2 years, balancing the use of current debt capacity while avoiding diversion of resources from our primary operating activities. Phased flexible financing will be utilized while ensuring adequate debt coverage ratios and reserves are maintained. Completion of the entire scope of the proposed project is dependent on identifying sufficient revenue streams to support the anticipated debt requirements.

The LVCVA is currently evaluating new financial sources that require stakeholders support and future legislative approval. The actual phasing of the construction will be aligned with those approvals. This long-term plan is critical to the organization and will establish a foundation for the success of the organizations long-term objectives.

The FY 2015 budget also reflects the LVCVA's commitment to our core mission of marketing Southern Nevada as a leisure and business destination worldwide and operating the LVCC and Cashman Center. The LVCVA continually conducts research to assist us in creating effective messaging for consumers. Advertising in the current year will continue to be aggressive using unique, innovative ways to make the Las Vegas message stand out and drive awareness and favorability for the destination. Business marketing initiatives will continue to emphasize that serious business gets done in Las Vegas while highlighting the tremendous value available compared to other major business destinations.

Significant advertising, marketing and public relations programs include:

- Reinforce our Core audience through the "adult freedom" branding message and education on new product offerings and events.
- Convince our Persuade audience to travel to Las Vegas through both the "adult freedom" messaging and continuous education on the variety and breadth of the product offerings.
- Sustain and grow the LasVegas.com website, an ecommerce consumer website that allows for direct bookings of hotel rooms, air packages, shows, dinner packages and more, through direct response advertising and recently launched mobile booking capabilities.
- Globalize LasVegas.com to multiple languages and develop multimedia international consumer campaigns and co-op partnerships in UK, Mexico and Canada to drive incremental international visitation.
- Continue leveraging relationship with Brand USA to extend advertising funding internationally.
- Drive incremental visitation through social media and online channels.
- Promote the newly launched mobile app while simultaneously developing the destination's second app.
- Develop a variety of platforms in which the resort properties can build cooperative advertising and social media programs.
- Develop strategic partnerships and sponsorships that drive visitation and room nights.
- Continue to implement event and/or holiday driven marketing programs which highlight the resort property activities.
- Continue to aggressively market the serious business side of Las Vegas to meeting planners and key decision makers through recently launched advertising campaigns, direct marketing and sales efforts.
- Work in partnership with McCarran International Airport to increase domestic and international air lift to Las Vegas while supporting new air service routes and markets.
- Develop direct response advertising campaigns to support ongoing brand campaign efforts in our core feeder markets. Strategic retail campaign efforts such as "Vegas Season" will also have a strong call to action, in addition to promoting all the amenities the destination has to offer.
- Continue to build Host Committee partnerships throughout the destination to promote the value of tourism to locals, while welcoming large conventions and special events.
- Ongoing promotion of the extended destinations: Laughlin and Mesquite with new advertising campaigns created following extensive consumer research; Boulder City and Primm through advertising, sales efforts and PR initiatives in all markets.
- Continue to focus on multicultural efforts, including development of a new LGBT campaign.

Las Vegas' "***What Happens Here, Stays Here***" slogan is one of the more famous taglines in modern tourism marketing and one of the most quoted, talked about, and recognized ad campaigns in any industry.

FY 2015 BUDGET HIGHLIGHTS

The total FY 2015 General Fund budgeted revenues are \$273.4 million, an increase of 2.2% over the original FY 2014 budget. FY 2015 expenditures and uses are \$276.5 million. This reflects an increase of 2.3% over the original FY 2014 operating budget. Operating expenditures account for \$211.5 million, while reserves and operating transfers for other funds total \$65 million.

REVENUE

Room tax, the LVCVA's primary source of revenue, is budgeted to increase in FY 2015 for the fifth consecutive year. After significant declines during the recession in FY 2009 and FY 2010, room tax has shown recovery. Substantial gains were noted in FY 2011 and FY 2012 from recession lows. More modest and sustainable increases of 2% and 5% have been noted in FY 2013 and FY 2014 to date. FY 2015 budgets \$221.6 million in room tax revenues. This is a 4% growth from the previous year's budget and would exceed FY 2008 revenues as the highest room tax in history.

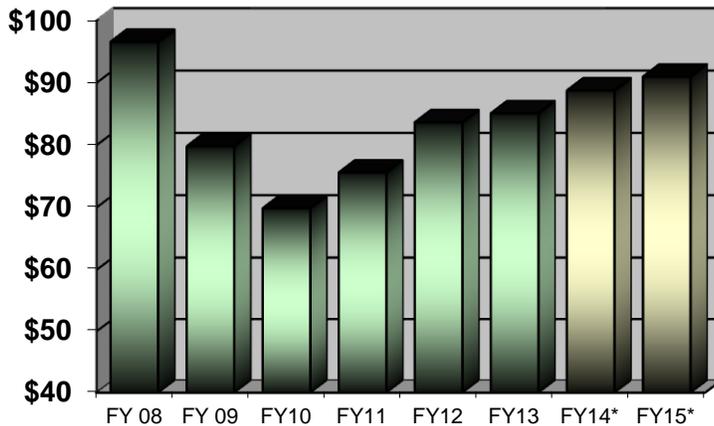
Room tax is projected to provide 81% of total revenues and is based on the number of lodging rooms available, occupancy rate and the average daily taxable room rental rate (ADR). In 2013 Las Vegas ranked as the No. 1 city in the United States for hotel/motel room inventory. Room inventory in Clark County for 2014 is expected to have a small increase with over 164,000 rooms, and approximately 152,000 rooms in the metropolitan Las Vegas area. Las Vegas is continuing to invest in its future and engage the visitor with new amenities and experiences. This is coming to fruition through reinvestment in facilities and properties by renovating rooms, expanding dining and nightlife options and a variety of other activities to captivate and increase visitation. These investments do not provide significant increases in the number of rooms, and major grand openings for new resort properties will take multiple years to complete.

The county-wide average occupancy rate was 84.5% in FY 2013 and FY 2014 has averaged an additional 0.5% year-to-date increase. The increase in occupancy is attributable to an increase in visitor volume as the market only experienced a slight increase in room inventory. The greater Las Vegas area occupancy rate exceeded the national average by 22 percentage points in 2013. On any given night, Las Vegas has an average of 127,000 hotel rooms occupied, which is more than any other destination in the United States. The most volatile factor in calculating room taxes is the average daily room rate (ADR). With hotel rooms being booked over the internet, price fluctuations are common with hotels having the ability to respond quickly to occupancy trends. ADR has shown consistent improvement over the last four fiscal years and is projected to increase an additional 3% in FY 2015.

Calendar Year 2013 Average Occupancy Rates

| | |
|------------------|--------------|
| Las Vegas | 84.3% |
| New York | 84.6% |
| Oahu | 83.7% |
| San Francisco | 83.0% |
| Los Angeles | 76.8% |
| Orlando | 71.0% |

County-wide Taxable ADR



*Projected

During FY 2015, approximately \$559.6 million is projected to be collected in Clark County for room tax. The Nevada Supplementary School Fund and Clark County School District will receive \$216.4 million for schools, while local jurisdictions will receive \$147.4 million for roads, tourism and other general government needs. Nevada tourism will receive \$17.6 million to promote Nevada. The LVCVA expects a net room tax benefit of \$178.2 million after returning \$22.2 million to the other government entities in the form of collection allocation and transferring approximately \$21.2 million to debt service for transportation bonds.

The Authority's second largest revenue source is facility use revenue for the LVCC. During the recession some shows reduced square footage requirements, meeting rooms, and catering and concessions due to diminishing attendance projections. Facility revenues recovered over the last three fiscal years as attendance, use of exhibit space and renewed demand for ancillary services have increased.

The facility use revenue forecast for FY 2015 includes effects of the seasonal rotation of several major tradeshows. The budget of \$45 million forecasts the third highest level of facility use revenues in history, although it is a decrease of 5.2% as compared to FY 2014. This was anticipated and consistent with the historical impact of the triennial international construction industry trade show (CONEXPO-CON/AGG) which returned to the LVCC in FY 2014.

Other revenues include gaming fees, Cashman Center rental, interest earnings, operating transfers in and revenue agreements for marketing events. These combined revenue streams are projected to slightly decrease in FY 2015, which is mainly due to a \$400,000 non-reoccurring international air development sponsorship contribution from McCarran International Airport in FY 2014.

| REVENUE SUMMARY <i>(In millions)</i> | FY 2014 Adopted Budget | FY 2015 Budget | Change from FY 2014 Adopted |
|-----------------------------------------|---------------------------|-------------------|--------------------------------|
| Room Tax | \$ 213.0 | \$ 221.6 | 4.0% |
| LVCC Revenue* | 47.5 | 45.0 | -5.2% |
| Other Revenue** | 7.0 | 6.8 | -3.2% |
| Total Revenues | \$ 267.5 | \$ 273.4 | 2.2% |

* Revenue related to the rental of the Las Vegas Convention Center.
 ** Comprised of gaming fees, use of facilities at Cashman Center, other fees and charges, interest and transfers from other funds.

EXPENDITURES

FY 2015 total expenditures and uses of funds are budgeted at \$276.5 million, with \$214.8 million dedicated to operating expenditures and reserve for contingency and \$61.7 million budgeted to transfer to other funds. Approximately 47% of the total General Fund budget is allocated to marketing and advertising the destination through the Marketing division, while 30% supports the General Government and Global Business District divisions as well as Community Support. The remaining 23% is transferred to other funds and contingency, including Capital, Debt Service and an internal service fund for Other Post-Employment Benefits (OPEB).

General Government includes the activities of the Board of Directors, Executive, Legal, Human Resources, Public Affairs and Finance departments. The LVGBD encompasses all of the maintenance and support functions to operate the LVCC and Cashman Center as well as Customer Experience. The *Marketing Division* includes the activities Domestic and International Leisure Sales, Global Business Sales, Industry Relations and Brand Strategy.

The *Advertising* budget, which is part of the Marketing Division, supports the promotion of Las Vegas and Southern Nevada through a variety of mediums. Advertising programs are instrumental to staying ahead of travel trends. Industry imperatives are targeted to stimulate visitation to the destination and to reinforce that Las Vegas is an appropriate setting to conduct business. Advertising is critical to our mission and therefore remains a priority in FY 2015. The Advertising budget is \$91 million in FY 2015. It is estimated that LVCVA accounts for 21% of all advertising and promotional expenditures for the Southern Nevada tourism industry. This advertising impacts 5.8% of all visitation and results in benefit-cost ratio of \$27 to \$1.

The FY 2015 Marketing budget also includes \$7.5 million in funding for Las Vegas Events (LVE), a non-profit corporation dedicated to securing and sponsoring events that encourage visitation to the area.

| OPERATING EXPENDITURES (In millions) | FY 2014 Adopted Budget | FY 2014 Revised Budget | FY 2015 Budget | Change from FY 2014 Revised Budget |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------------------|------------------------------------------|
| General Government | \$ 13.5 | \$ 14.4 | \$ 15.0 | 4.4% |
| Marketing | 37.8 | 38.5 | 37.8 | -1.8% |
| Advertising | 92.2 | 93.0 | 91.0 | -2.2% |
| Global Business District | 44.1 | 44.3 | 45.4 | 2.4% |
| Community Support* | 21.5 | 21.5 | 22.3 | 4.0% |
| Total Operating Expenditures | \$209.1 | \$211.7 | \$211.5 | -0.1% |
| <small>FY 2014 Revised Budget reflects increases to the original adopted budget as a result of higher than projected fund balance. **Community Support represents Collection Allocation (10% of Room Tax and Gaming Fees) returned to the local entities.</small> | | | | |

OPERATING TRANSFERS

Operating transfers from the General Fund are budgeted at \$61.7 million which is up 5.1% from the FY 2014 adopted budget.

Scheduled transfers include \$1 million from the General Fund to the Capital Fund for FY 2015 for funding capital requirements. These transfers will be utilized for routine capital repair and maintenance to ensure the facility's safety and enhance customer experience, but will be reduced as compared to the past few years. The LVCVA maintains capital sub-funds that are used for diverse purposes. Any capital improvement or asset costing \$3,000 or more is budgeted in the Capital Fund, including furniture and equipment. The Capital Improvement Program (CIP) is a multi-year plan that includes major projects that cost over \$1 million or that require multi-year planning to fit them into the building schedule.

Transfers to Debt Service Funds total \$57.2 million. Debt service on current outstanding bond issues related to LVCVA capital programs total \$36 million. Debt service on outstanding bond issues to fund NDOT transportation projects, as approved by the 2007 Nevada legislature, total \$21.2 million.

The LVCVA has budgeted \$3.5 million in fund transfers from the general fund to the internal service fund for other post-employment benefit (OPEB) costs in FY 2015. Eligible retirees self-pay 100% of post-employment health care premiums based on blended rates with active employees. This results in the LVCVA providing an implicit subsidy of the retiree's health insurance costs. Liabilities for the actuarial calculated future costs have been accumulating on the balance sheet since FY 2008 when the accounting standards required the recognition of these future expenses. This transfer represents the third year of a 10-year plan to fully fund the total estimated liability. Funding is expected to assist in maintaining the LVCVA's high credit ratings.

FUND BALANCE

Ending General Fund balance on June 30, 2015 is budgeted at \$8.9 million. State law provides guidance for an ending fund balance of between 4% and 8% of budgeted expenditures. The LVCVA has targeted ending fund balance between the statutory minimum of 4% be increased up to 16% in future years to prepare for future volatile economic conditions without detriment to operations. The FY 2015 ratio is approximately 4.2%, which meets statutory guidance and internal policy.

SUMMARY

Las Vegas is one of the most popular domestic and international travel destinations and was recognized for the 20th consecutive year as the No. 1 destination for the Trade Show News Network's (TSNN) Top 250 Trade Shows in the United States. Las Vegas hosted over 22,000 events and 5.1 million convention delegates in 2013 which is a 3.3% increase over the prior year and a five year high. This is an unprecedented accomplishment and a testimony to the efforts of the LVCVA and our resort partners. The travel and tourism industry generates almost 3% of national GDP and supports over 14 million jobs. It is Southern Nevada's No. 1 economic driver, generating over \$45 billion for the local economy and supporting approximately 380,000 jobs. Serving on the Travel and Tourism Advisory Board for the Department of Commerce gives me the opportunity to reinforce this message on Capitol Hill and ensures Las Vegas has a seat at the table for public policy discussions that effect travel.

Las Vegas' appeal has remained strong even throughout difficult times and continued competition from other destinations around the world. The LVCVA's mission remains steadfast. We have redoubled our efforts to promote Southern Nevada as the world's most desirable destination for leisure and business travel. The destination is expected to welcome 70 new meetings of at least 500 attendees during 2014.

As we invest in the future of Southern Nevada through our marketing efforts and operational activities, we ensure the long-term success of the destination. The LVGBD not only ensures the facility's future competitiveness, but the destinations current number one ranking for many years to come.

The budget before you provides a responsible spending plan that addresses the top priorities of the LVCVA. It is a budget that values and rewards the contributions of our employees and provides sufficient resources to meet our mission.

In closing, I want to thank the entire LVCVA workforce for their continued commitment and dedication. I would also like to thank the Board of Directors for their support and input during the budget process. Lastly, I would like to thank the members of the Finance Department for their commitment to monitoring the budget and ensuring the financial integrity of the organization is protected. I also congratulate the Finance Department for receiving the Government Finance Officers Association's Distinguished Budget Presentation Award for the 25th consecutive year.

Sincerely,

A handwritten signature in cursive script that reads "Rossi Ralenkotter".

Rossi Ralenkotter
President / CEO

DISTINGUISHED BUDGET PRESENTATION AWARD

For the 25th consecutive year the Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Las Vegas Convention and Visitors Authority for its annual budget for the fiscal year beginning July 1, 2013.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



LVCVA ORGANIZATIONAL CHART



BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The Las Vegas Convention and Visitors Authority (LVCVA) is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials from either Clark County or one of the incorporated cities therein. The Las Vegas Chamber of Commerce (CC) and the Nevada Resort Association (NRA) nominate three each of the remaining six members. The terms of appointment for the eight elected officials are coterminous with their terms of office. The six remaining members serve a 2-year term but can be reappointed to additional 2-year terms.



TOM COLLINS
Chairman
Commissioner
Representing Clark County
Term: Jan 2005 – Jan 2017



LAWRENCE WEEKLY
Vice Chairman
Commissioner
Representing Clark County
Term: Jan 2009 – Jan 2017



CHUCK BOWLING
Treasurer
Representing resort hotel
Nominated by NRA
Term: Jun 2005 – Jun 2015



TOM JENKIN
Secretary
Representing resort hotel
Nominated by CC
Term: Dec 2003 – Jun 2015



JOHN CAPARELLA
Representing resort hotel
Nominated by NRA
Term: Jul 2013 – Jun 2015



PAUL J. CHAKMAK
Representing central business
Nominated by NRA
Term: Jul 2011 – Jun 2014



CAROLYN G. GOODMAN
Mayor
Representing City of Las Vegas
Term: Jul 2011 – Jun 2015



ANDY HAFEN
Mayor
Representing City of Henderson
Term: Jul 2011 – Jun 2017



GREGORY LEE
Representing tourism
Nominated by CC
Term: Jul 2012 – Jun 2014



JOHN LEE
Mayor
Representing North Las Vegas
Term: Aug 2013 – Jun 2017



KRISITIN MCMILLAN
Representing other commercial
Nominated by CC
Term: May 2011 – Jun 2015



GEORGE RAPSON
Councilman
Representing City of Mesquite
Term: Jul 2011 – Jun 2015



STEVEN D. ROSS
Councilman
Representing City of Las Vegas
Term: Jul 2011 – Jun 2017



CAM WALKER
Mayor Pro Tem
Representing Boulder City
Term: Jul 2009 – Jun 2017

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The Board serves as a policymaking body and employs a president to serve as chief executive officer. The LVCVA executive committee consists of:



Rossi Ralenkotter
President/CEO



Cathy Tull
Senior Vice President
Marketing



Rana Lacer
Senior Vice President
Finance



Terry Jicinsky
Senior Vice President
Operations



Rob Elliott
Senior Vice President
Public Affairs



Mark Olson
Senior Vice President
Human Resources



Chris Meyer
Vice President
Global Business Sales



Michael Goldsmith
Vice President
International Marketing



Caroline Coyle
Vice President
Brand Strategy



Hugh Sinnock
Vice President
Customer Experience

Vacant Positions:
Executive Vice President
Senior Vice President of Global Business District
Vice President

HISTORY OF THE LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Las Vegas has long been a favorite vacation destination for millions of tourists. In the early 1950s, however, community leaders realized the cyclical nature of tourism caused a significant decline in the number of visitors during the weekdays, throughout the summer months, and over the holiday season. In order to attract more visitors to the area during slow periods, a new market was needed - convention travelers. This idea became the seed that blossomed into the development of the Las Vegas Convention Center, established by the Nevada Legislature in 1955 as the Clark County Fair and Recreation Board. Its function was to operate the Las Vegas Convention Center and promote Southern Nevada as a convention-tourism destination.

Original construction of the Las Vegas Convention Center began in 1957. It consisted of a rotunda, 18 meeting rooms and 90,000 square feet of exhibit space. Official opening ceremonies took place in April 1959, when the World Congress of Flight became the first convention to meet at the Las Vegas Convention Center.

Resolutions passed by the Board of Directors on June 27, 1967 and March 19, 1974 led to the renaming of the Clark County Fair and Recreation Board to the current Las Vegas Convention and Visitors Authority.

During FY 2002, the Las Vegas Convention Center completed one of its largest expansions, which included a two-story exhibit hall addition. It now contains more than 3.2 million square feet of total space. The Convention Center contains 16 exhibit halls, 144 meeting rooms, restaurants, a business center, warehouses, administrative offices and parking for over 5,000 cars.



The LVCVA also operates Cashman Center, which opened in 1983. It is a multi-purpose facility built with a 10,000-seat baseball stadium, a 1,922-seat theatre, over 98,000 square feet of exhibit space and 14 meeting rooms. On August 11, 1998, the Board approved a name change from Cashman Field Center to Cashman Center.

During the ensuing years, the function of the LVCVA has evolved into the following mission:

To attract visitors by promoting Las Vegas
as the world's most desirable destination
for leisure and business travel.

HISTORY OF THE LAS VEGAS CONVENTION AND VISITORS AUTHORITY

The LVCVA's primary source of revenue is provided by a tax imposed on hotels, motels, and other transient lodging establishments in Clark County. The rate levied varies from 12% to 13% for resort hotels and 10% to 12% for non-resort hotels depending on the establishment's jurisdiction (see page 150 for room tax rate breakdown by jurisdiction). The division of room tax, as of July 1, 2014, is presented below:

| Resort Hotels | | | | |
|---------------|---------------|-----------------|-----------------------|------------------------------|
| LVCVA | Taxing Entity | State of Nevada | County Transportation | Clark County School District |
| 4-5% | 0-2% | 2 3/8 - 3 3/8% | 1% | 1 5/8% |

| Other Hotels / Motels | | | | |
|-----------------------|---------------|-----------------|-----------------------|------------------------------|
| LVCVA | Taxing Entity | State of Nevada | County Transportation | Clark County School District |
| 2-4% | 0-2% | 3 3/8% | 1% | 1 5/8% |

The LVCVA is empowered by the Nevada state legislature to:

- ✧ Provide for the levy of ad valorem taxes by the Board of County Commissioners,
- ✧ Acquire real property through the exercise of the power of eminent domain by the Board of County Commissioners, and
- ✧ Issue general obligation bonds in the name of and on behalf of the County.

FACILITIES OF THE LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CASHMAN CENTER



Cashman Center is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes approximately 98,100 square feet of exhibit space, 14 meeting rooms, a 1,922 seat state-of-the-art theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the Las Vegas 51s, the AAA affiliate of the New York Mets. Each segment of the facility is capable of functioning independently or in any combination for conventions and trade shows, business/group meetings, theatrical presentations, and sporting events.

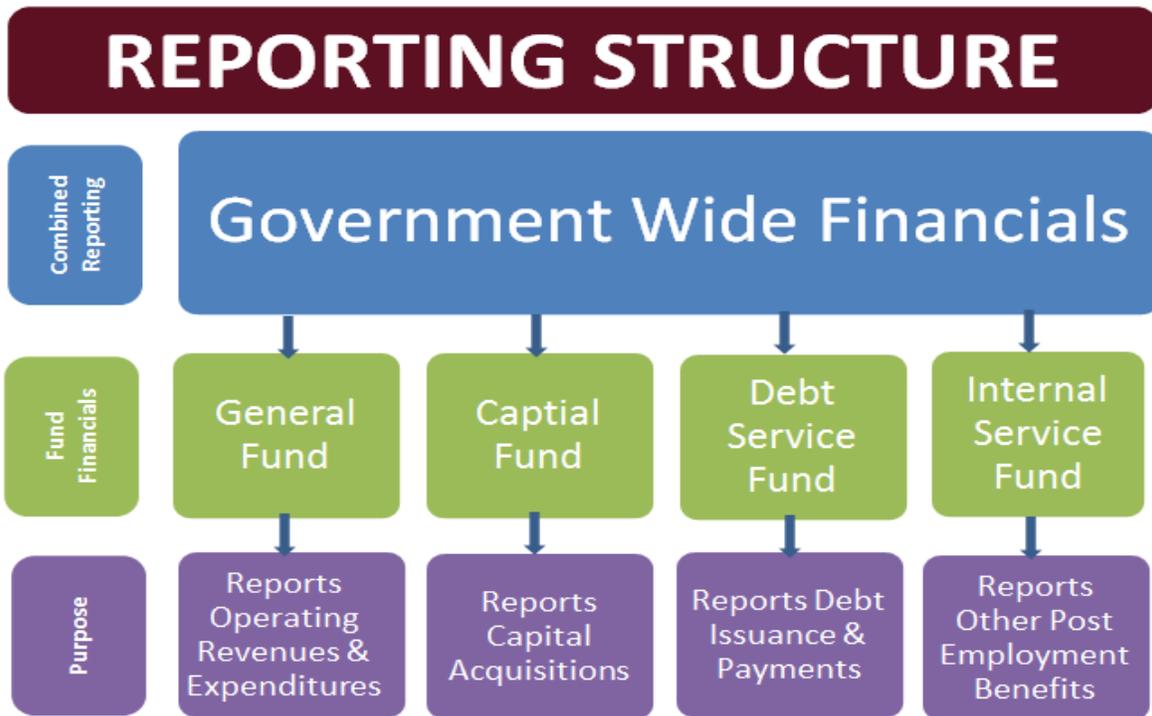
FINANCIAL STRUCTURE

Nevada Revised Statutes govern most of the LVCVA's activities, including financial structure, purchasing procedures, budgeting, debt, and investments. Accounting and budgeting for a governmental organization is somewhat different from profit-making businesses in that governmental organizations use funds. A fund is a separate accounting entity with its own assets, liabilities, revenues and expenditures. The LVCVA has four major fund groups, the General Fund, Capital Funds, Debt Service Funds and an Internal Service Fund.

The LVCVA budgets its governmental funds, which encompass the general fund, capital projects fund, and debt service fund based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized, and any related receivable is recorded, when they become both measurable and available to finance expenditures. Room tax, the primary source of LVCVA revenue, is recognized at the time it is received and held for disbursement by the collecting governmental entity. Interest and facilities rental revenues are recognized when earned. Expenditures (expenses) are recognized when the liability is incurred, except for un-matured

principal and interest on long-term debt which is recognized when due. The Internal Service Fund is a proprietary fund, which is accounted for on full accrual, meaning revenues and expenses are recorded as they are earned and incurred. Definitions for each fund group are provided in the glossary.

The LVCVA's governmental funds are presented in the comprehensive annual financial report (CAFR) on the basis of generally accepted accounting principles (GAAP) and conform to the manner that the LVCVA prepares its budget (i.e. modified accrual basis). Encumbrances are sometimes viewed as an extension of the formal budget integration even though those amounts were adopted in the previous year's budget. They consist of purchase orders, contracts and other commitments for expenditures of monies that are recorded in the accounting system in order to reserve the portion of the applicable appropriation. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year, since they are not considered expenditures or liabilities. The internal service fund is presented in the CAFR on full accrual basis.



READER`S GUIDE TO THE LVCVA BUDGET DOCUMENT

STRUCTURE OF THE BUDGET DOCUMENT

The goal of this budget document is to provide not only comprehensive information about estimated revenues and expenditures but also the policies, goals, financial structure, operations, and an organizational framework that show how the LVCVA will work towards its mission for fiscal year 2015. The main objective is to communicate to the readers (i.e. the Board of Directors, management, other organizational units and the public) in a manner that is clear, concise and understandable.

The LVCVA budget is comprised of nine main sections: Budget Message, Budget Structure and Policy, General Fund, Capital Fund, Debt Service Fund, Internal Service Fund, Personnel Allocation, Statistical Data and Glossary.

BUDGET MESSAGE and BUDGET STRUCTURE and POLICY

These sections provide a general overview of the LVCVA. It includes the president's budget message, this reader's guide, and condensed summaries of the budget. The budget structure and policy section contains a brief historical view of the LVCVA, along with its financial structure, various policies, budget procedures and fund balance analysis.

General Fund

The operating budget (i.e. general fund), beginning on page 23 presents budgetary information for revenues, followed by the functions of general government, marketing, global business district, and community support. The emphasis is on the nature of the tasks to be undertaken by the organization. This section identifies the purpose of each organizational unit, its responsibilities, and goals for the ensuing fiscal year, selected activity measures, and prior year achievements. Appropriations are summarized in major categories of salaries, employee benefits, and services and supplies. Also included is the number of full-time employees and capital outlay related to the division. For financial reporting and budgeting purposes, the LVCVA has classified its expenditures by functions, activities, and organizational units. The function classification arranges related activities, providing information on the overall purposes or objectives of expenditures. Activities are similar endeavors or groupings of organizational units performing a specific and distinguishable type of work.

| FUNCTIONS | ACTIVITIES | ORGANIZATIONAL UNITS |
|--------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Government | Board of Directors Executive Human Resources Public Affairs Finance | Board of Directors Executive, Internal Audit, Legal, Board Office Human Resources Communications, Media Relations, News Bureau Finance & Accounting, Purchasing & Business Services |
| Marketing | International Global Business Sales Industry Relations Brand Strategy | International Sales, International Public Relations, Leisure Sales Global Business Sales Industry Relations Advertising, Brand Strategy, Digital Marketing, Sports Marketing, Strategic Research & Analytics, Special Events |
| Global Business District | Customer Experience Operations | Customer Experience, Convention Services, Registration, Visitor Information Services Client Services, Engineering, Facility Operations, Information Technology, Security |

The organizational chart shown on page 2 is closely related to each unit's financial classification. In general, divisions relate to functions, departments relate to activities, and sections relate to organizational units. The community support section is unrelated to the organizational structure. Functions are the basic unit of the operating budget. Within each function, activities and organizational units are discussed in a narrative format. Also included within this discussion is a more detailed organization chart.

Capital Funds

The capital funds budget, starting on page 76 include a capital project and purchases listing and the five-year capital plan, which is reviewed and updated annually. This section explains the capital projects review and selection process, and includes a description of major projects and estimated impacts on the operating budget. There are five separate capital project funds being presented: Capital Improvement and Replacement Fund, Land Acquisition Fund, the Master Plan Enhancement Program Fund, Nevada Department of Transportation (NDOT) Project Fund and the Las Vegas Global Business District Fund. The NDOT funds are part of the state mandated NDOT Project.

Debt Service Funds

The debt service funds budget on page 118 provide not only a historical perspective concerning the LVCVA's past bond issues, but also a review of current and proposed bond obligations, the bond issuance process and debt limit and capacity.

Internal Service Fund

This fund was established in FY 2013 to accumulate reserves for Other Post-Employment Benefits (OPEB). Additional information can be found starting on page 128.

Personnel Allocation

Information on personnel requests, including justifications, authorized positions by organizational unit, and wage schedules is located in the personnel allocation section, beginning on page 129.

Statistical Data

Statistical data starts on page 137. It contains information on demographics for Clark County, visitor analyses, principal room taxpayers, and a room tax schedule, along with ten-year schedules of facility usage for the Convention Center and Cashman Center and general fund revenues and expenditures.

NEW POLICIES/SIGNIFICANT EVENTS

The Board of Directors acted upon the following items during fiscal year 2014.

| NEW POLICIES / SIGNIFICANT EVENTS | |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Jul-13 | Approved a new collective bargaining agreement with Service Employees International Union, effective through June 2018. |
| Aug-13 | Awarded a 7-year telecommunications contract to a new vendor for the first time in 15 years. |
| Aug-13 | Approved the final phase of the NDOT transportation corridor funding, a pedestrian walkway over Tropicana Avenue. |
| Oct-13 | Purchased 2 new parcels of land totaling just over 5 acres as part of the long term planning for the Las Vegas Global Business District. |
| Oct-13 | 19th World Routes Development Forum held in Las Vegas, the first time ever in the United States. |
| Jan-14 | Approved a sponsorship agreement for the National Finals Rodeo, keeping the event in Las Vegas through 2024. |
| Feb-14 | Issued \$50 million in general obligation bonds - funding the first phase of the Las Vegas Global Business District. |

FINANCIAL MANAGEMENT POLICIES

During each stage of the budget preparation process, consideration is given to the policies and goals established by the Board and Executive Management that directly relate to the budget and financial planning. The financial policies are divided into the following categories: Operating Management, Capital Management, Debt Management, Reserve/Fund Balance, and Financial Reporting.

OPERATING MANAGEMENT

- ✧ Although long-term projections are highly uncertain, multi-year analysis will periodically be prepared and evaluated by management. Long-term projections rely on numerous assumptions about economic and fiscal factors, and many different assumptions are possible; thus, long term forecasts are not considered a fixed plan for balancing revenues to expenditures in future years.
- ✧ Conservative but realistic revenue projections will be prepared to assess the limits of budget appropriations. If projections are too high, under-realized revenues could cause budget cuts mid-fiscal year.
- ✧ Operating expenditures will be funded with current revenues. For FY 2015, the operating revenue budget, including other financing sources, of \$273.4 million fund operating expenditures of \$211.5 million.
- ✧ The LVCVA is required by law to submit a balanced budget each year to the State of Nevada for approval. This is defined as a budget in which total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ✧ Investments of cash funds will be maintained in accordance with the Board-approved investment policy and state statute. The primary objectives of this policy are to minimize risk, ensure that cash is available when it is needed, and ensure a competitive rate of return while complying with the laws of the State of Nevada – in that order.
- ✧ Interest earnings on investments in the debt service funds will be transferred into the general fund, except for earnings on the proceeds from construction financing (i.e. bonds) which are part of the capital fund.
- ✧ The Board authorizes adjustments to the full-time position roster, currently at 510 positions in FY 2014. All requests for new positions must contain a justification and evaluate total costs including benefits and capital outlay. Temporary employees are used only to augment regular staffing on a temporary or intermittent basis. There are 5 new position requests for FY 2015 as staff feels these new perimeter security officers are a critical investment in the safety and security of the LVCVA. Staffing is discussed in detail in the personnel allocation section, page 129.
- ✧ The current collective bargaining agreement with Service Employees International Union Local 1107, along with additional LVCVA personnel policies, direct such items as annual pay increases, personal time off (PTO) accruals, and pension plan contributions. All are taken into account in the preparation of the budget.

CAPITAL MANAGEMENT

- ✧ A five-year capital improvement plan is updated annually. It is presented to the Board of Directors with the annual budget and is adopted at the same time.

- ✧ The capital improvement plan must include a list of proposed capital improvements or purchases with cost estimates, methods of financing (i.e. room taxes, use of facilities revenue or debt issue), and any estimated income or cost associated with the constructed facilities. Only projects or purchases costing over \$30,000 in one fiscal year or included in a multi-year equipment replacement program appear in the plan. A five-year capital plan is included in this budget book.
- ✧ A balance of pay-as-you go capital improvements versus financing will be evaluated taking into account the various economic factors.
- ✧ Nevada Administrative Code 354.750 requires that local governments perform a physical inventory, every two years, which was performed during FY 2014. Each item subject to the inventory must be assigned an identifying number and be labeled as belonging to the LVCVA. This same code sets the guidelines for the establishment of capitalization thresholds by resolution.

DEBT MANAGEMENT

- ✧ The LVCVA will actively seek to maintain, and if possible, improve our current bond ratings in order to minimize borrowing costs resulting in lower interest rates.
- ✧ Debt issuance is governed by Nevada state law. The LVCVA's Board of Directors is empowered to issue general obligation bonds; however, state statute requires that these bonds be issued in the name of the County.
- ✧ Debt Coverage is the ratio of pledged revenues to related debt service for a given year. The LVCVA targets a minimum coverage ratio of 3.0.
- ✧ Although state statute allows the LVCVA to use property taxes for debt service, only net pledged revenues derived from room taxes and use of facilities revenue have ever been used. No ad valorem property tax revenues are allocated to the LVCVA for any purpose and no change in this practice is contemplated.
- ✧ The LVCVA is required to file an indebtedness report, which includes a capital improvement plan, with the Debt Management Commission prior to August 1, whether new debt is being contemplated or not. The specifics of the reports can be found on page 118.

RESERVE/FUND BALANCE

- ✧ Based on Nevada Administrative Code 354.650-660, a minimum unreserved fund balance of 4.0% of budgeted general fund operating expenditures must be maintained. The LVCVA fiscal practice is to target an ending fund balance between 4.0% - 16.0% to prepare for potential variances in economic conditions without detriment to operations. Our proposed FY 2015 unreserved fund balance is 4.2%.
- ✧ Reserves will be sufficient to pay principal and interest on the outstanding bond issues due on July 1.
- ✧ A contingency reserve of \$500,000 will be funded for the discretionary use of the Board of Directors. However, use of these funds should be utilized only after the availability of all other budget sources has been examined.
- ✧ The LVCVA is required by an inter-local agreement with Clark County to provide funding for a 13th month premium to the Clark County Self-Funded insurance program, in case of more claims being paid-out versus premiums collected.

FINANCIAL REPORTING

- ✧ The LVCVA's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- ✧ An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included in the LVCVA's published Comprehensive Annual Financial Report (CAFR).
- ✧ Financial systems will be maintained to monitor revenues and expenditures on an on-going basis.

MARKETING POLICIES

Filling the available hotel and motel rooms becomes more challenging each year. Nationally, the spread of gaming across the nation has lessened Las Vegas' monopoly on the industry. We used to be the "only game in town"; now we have to be the "best game in town." In addition, Las Vegas has over 150,000 hotel rooms to be filled on a daily basis. Remarkable expansion of resort properties was seen in the last two decades, but significant expansion in the number of rooms has been limited over the past few years. Instead, Las Vegas has reinvested in renovations and new experiences to attract visitors and stay on top of the competition. Marketing policies developed include:

- ✧ Stay abreast of current market conditions and travel trends in order to tailor marketing strategy to achieve maximum impact.
- ✧ Use national advertising to stimulate interest in Las Vegas for tourism and as a convention destination.
- ✧ Target market segments, such as international and diversity, to attract visitors with varied demographic profiles.
- ✧ Conduct market research to measure the local economic impact of tourism, monitor tourist characteristics and test new messages for key target audiences.
- ✧ Identify and promote special events that will attract previously untapped market segments.

FACILITY POLICIES

The Las Vegas Convention Center is one of the largest meeting facilities in the nation, with more than 3.2 million square feet. In FY 2013, the Center hosted 64 conventions, public events, and meetings. Over 5.1 million delegates attended trade shows and conventions in Clark County during calendar year 2013. The goal to "have a show in the building, another one moving in and one moving out" is closer to being realized than ever. Reasonable rates and the finest facilities in the country are the secret of our success. Policies that guide us toward this goal include:

- ✧ Maintain a competitive edge in the facility rate structure. The most recent rate increase was enacted in FY 2010. The Authority is currently conducting a comprehensive evaluation of direct facility operating costs, indirect overhead allocations and facility use revenue. The fiscal operating margin associated with the LVCC will help management determine the level and timing of any future rate increases. There are no scheduled rate increases during FY 2015.
- ✧ Create an outstanding experience for every visitor via the appearance and the amenities found in the facilities and provide excellent customer service.
- ✧ Prevent deterioration of buildings and equipment through scheduled preventive maintenance programs.
- ✧ Pursue aggressive energy and water conservation programs; thereby reducing operating costs.

COMMUNITY POLICIES

Since the first general obligation bonds were issued in 1957, the LVCVA has maintained a history of supporting the community through grants. The Board has established several grant programs including the following:

- ✧ Return a collection fee (up to 10% of total room tax and gaming fees received by the LVCVA) to the collecting entities (i.e. Clark County and its incorporated cities). The amount of fees paid to the collecting entities that exceed the reasonable costs incurred in collecting the room taxes and gaming fees must be used for the operations and maintenance of recreation programs or facilities.
- ✧ A Community Event Sponsorship Program is funded in the FY 2015 budget. The LVCVA will allocate funds to sponsor community events for the purpose of driving tourism to and within Clark County as well as garnering exposure for southern Nevada tourism destinations.

BUDGET PROCESS

An annual budget is developed to meet the needs and the goals of the organization based on the Board's priorities and long-range plans and to comply with Nevada Revised Statutes. It should also serve as a management and control tool by measuring actual performance against budget standards, focus attention on future operations and plans, and improve communication of goals, objectives and plans.

Below are the summarized highlights in preparing the annual budget. The budgetary controls and budget calendar follow, indicating the deadlines to meet the legal mandates of the State of Nevada.

1. Revenue Estimates and Projection Updates - The process begins with the Finance Department evaluating the multi-year analysis and preparing preliminary revenue projections taking into consideration national, state and local economic indicators and analyses of the LVCVA's major revenue sources. Executive management meets to review the information, update strategic plans and determine preliminary budget guidelines.
2. Budget Training Sessions - Budget preparation manuals are distributed by Finance to all departmental budget preparers at budget training sessions. The manual contains instructions for accessing and using the computerized budget system (OLB), preparing narratives, goals and activity measures, requesting new personnel and justifying capital requests.
3. Zero Based Budgeting – The LVCVA uses a zero based budget process. Departments build their budgets from the ground up, justifying groups of related expenditures. Consideration is given to any additional budget guidance as given by executive management.
4. Goals, Objectives and Performance Measurements - Departments are required to develop goals, objectives and activity measures to show what services are going to be provided. The goals must complement the organization and divisions' mission statements and goals.
5. Tentative Budget Adoption - As required by Nevada Revised Statutes, the tentative budget document is filed with the Nevada Department of Taxation and the County Clerk, usually on or before April 15th.
6. Budget Book Development - Since the financial and narrative information is completed by this point, the Finance Department prepares the budget book which is comprised of the operating, capital, debt service, and internal service fund budgets.
7. Public Hearing and Final Budget Adoption – After April 15 and before the third Thursday in May, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda of the public hearing. The hearing provides the public an opportunity to comment on the proposed budget to the Board of Directors.

BUDGETARY CONTROLS

Some of the significant controls pertaining to the budget are as follows:

- ✧ The budget process for the operating (general fund) and capital funds is decentralized; all departments participate in the process and input budget amounts and justifications into the computerized on-line budget system.
- ✧ Annual budgets for the upcoming fiscal year (July 1 through June 30) are adopted for all funds. These final budgets are integrated on July 1 with the LVCVA's accounting system.
- ✧ Each fund in the budget must be in balance; total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ✧ The statutory level of budgetary control is at the function level; however, in reality, control is maintained at the line item level through the use of a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year via the budget augmentation process, since they are not considered expenditures or liabilities.
- ✧ The LVCVA is currently using a "zero-based" budget method. Each department must build their budget from the ground up justifying each group of related expenditures. Departments can request additional funding for new positions, equipment or operating expenses in order to expand existing programs; or to develop new programs or initiatives.

Budgetary performance is measured by line item budget variance reports. Departments have the ability to run the report themselves at any time. Budget variance reports are linked to the accounting system and when run, provide real time data. Budget and statistical reports are currently presented to the Board on a quarterly basis.

BUDGET TRANSFERS

There are three types of transfers of budget appropriations that are permitted by state law.

1. Transfers within the same function (i.e. General Government, Marketing, Global Business District, and Community Support) and same fund (i.e. general fund, capital fund) need only the approval of the Senior Vice President of Finance if the transfer is \$250,000 or less; else the President/CEO's approval is required.
2. Transfers between different functions but within the same fund, can be approved by the President/CEO and the Board is advised of the action at the next regular meeting, where it is recorded in the official minutes.
3. Transfers between different funds require prior approval of the Board.

The Department of Taxation is notified of these transfers by means of filing the tentative budget, which contains current year budget revisions.

BUDGET AUGMENTATION

Adjustments to the total budget are accomplished through an augmentation process. It requires adoption by a majority vote of the Board of Directors at a regular meeting to increase appropriations above levels originally approved and the filing of designated forms with the Nevada Department of Taxation. This formal resolution procedure adheres to the process prescribed by Nevada Revised Statutes.

SUMMARY OF ALL FUNDS

| FY 2015 BUDGET - ALL FUNDS | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------|--------------------------|-----------------------------|----------------------|
| | GENERAL FUND | CAPITAL PROJECTS FUNDS | DEBT SERVICE FUNDS | INTERNAL SERVICE FUND | TOTAL ALL FUNDS |
| REVENUES: | | | | | |
| Room Taxes and Gaming Fees | \$ 223,550,000 | - | - | - | \$ 223,550,000 |
| Use of Facilities | 49,503,400 | - | - | - | 49,503,400 |
| Interest | 182,800 | \$ 118,600 | \$ 81,500 | \$ 38,700 | 421,600 |
| Miscellaneous | 5,700 | - | - | - | 5,700 |
| Total Revenues | 273,241,900 | 118,600 | 81,500 | 38,700 | 273,480,700 |
| EXPENDITURES: | | | | | |
| General Government | 15,004,800 | - | - | - | 15,004,800 |
| Marketing | 28,780,000 | - | - | - | 28,780,000 |
| Advertising | 91,000,000 | - | - | - | 91,000,000 |
| Special Events | 9,030,000 | - | - | - | 9,030,000 |
| Global Business District | 45,366,800 | - | - | - | 45,366,800 |
| Community Support | 22,355,000 | - | - | - | 22,355,000 |
| Capital Outlay | - | 74,736,500 | - | - | 74,736,500 |
| Debt Service: | | | | | |
| Principal | - | - | 24,800,000 | - | 24,800,000 |
| Interest | - | - | 38,627,587 | - | 38,627,587 |
| Total Expenditures | 211,536,600 | 74,736,500 | 63,427,587 | - | 349,700,687 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 61,705,300 | (74,617,900) | (63,346,087) | 38,700 | (76,219,987) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In | 81,500 | 1,000,000 | 57,173,912 | 3,500,000 | 61,755,412 |
| Operating Transfers Out | (61,673,912) | - | (81,500) | - | (61,755,412) |
| Build America Bond's Subsidy | - | - | 2,560,488 | - | 2,560,488 |
| Proceeds from Sale of Fixed Assets | 30,000 | - | - | - | 30,000 |
| Total Other Financing Source (Uses) | (61,562,412) | 1,000,000 | 59,652,900 | 3,500,000 | 2,590,488 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 142,888 | (73,617,900) | (3,693,187) | 3,538,700 | (73,629,499) |
| RESERVE FOR CONTINGENCY | 3,278,900 | - | - | - | 3,278,900 |
| FUND BALANCE, BEGINNING | 12,019,926 | 74,419,439 | 53,147,727 | 5,990,567 | 145,577,659 |
| FUND BALANCE, ENDING | \$ 8,883,914 | \$ 801,539 | \$ 49,454,540 | \$ 9,529,267 | \$ 68,669,260 |

SUMMARY OF ALL FUNDS

| COMPARISON TO PRIOR YEARS - TOTAL OF ALL FUNDS | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------|-----------------------------|
| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
| REVENUES: | | | | | |
| Room Taxes and Gaming Fees | \$ 177,345,164 | \$ 201,406,046 | \$ 205,028,018 | \$ 214,950,000 | \$ 223,550,000 |
| Use of Facilities | 48,158,659 | 49,168,968 | 47,846,895 | 52,199,700 | 49,503,400 |
| Interest | 1,044,510 | 447,735 | 305,297 | 388,300 | 421,600 |
| Miscellaneous | 1,395,559 | 1,620,425 | 1,005,018 | 5,300 | 5,700 |
| Total Revenues | 227,943,892 | 252,643,174 | 254,185,228 | 267,543,300 | 273,480,700 |
| EXPENDITURES: | | | | | |
| General Government | 10,373,913 | 12,452,224 | 13,246,144 | 14,378,200 | 15,004,800 |
| Marketing | 27,458,590 | 30,289,998 | 30,301,848 | 29,502,000 | 28,780,000 |
| Advertising | 79,504,487 | 83,636,231 | 90,587,216 | 93,042,300 | 91,000,000 |
| Special Events | - | - | - | 9,017,576 | 9,030,000 |
| Global Business District | 34,008,771 | 37,131,878 | 36,690,902 | 44,312,400 | 45,366,800 |
| Community Support | 18,784,516 | 21,140,605 | 20,502,802 | 21,495,000 | 22,355,000 |
| Special Events | 8,058,471 | 7,713,777 | 8,233,771 | - | - |
| Other | 200,663 | 16,980 | 6,379 | - | - |
| Capital Outlay | 156,987,218 | 76,177,103 | 46,904,477 | 42,020,537 | 74,736,500 |
| Debt Service: | | | | | |
| Principal | 25,415,000 | 9,085,000 | 21,595,000 | 22,650,000 | 24,800,000 |
| Interest | 18,906,298 | 33,669,341 | 32,356,716 | 31,743,475 | 38,627,587 |
| Total Expenditures | 379,697,928 | 311,313,138 | 300,425,255 | 308,161,488 | 349,700,687 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (151,754,036) | (58,669,964) | (46,240,027) | (40,618,188) | (76,219,987) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating Transfers In | 84,168,065 | 61,132,886 | 72,848,171 | 64,517,549 | 61,755,412 |
| Operating Transfers Out | (84,168,065) | (61,132,886) | (72,848,171) | (64,517,549) | (61,755,412) |
| Refunding Escrow | - | - | - | - | - |
| Proceeds of Sale of Debt | 255,830,000 | - | 24,990,000 | 50,000,000 | - |
| BAB's Subsidy | 3,608,295 | 5,120,976 | 4,898,214 | 2,560,488 | 2,560,488 |
| Retirement of Debt | (96,000,000) | - | - | - | - |
| Debt Premium | 1,684,847 | - | 756,043 | - | - |
| Debt Discount | (1,192,037) | - | - | - | - |
| Capital Leases | 280,505 | - | 14,942 | - | - |
| Debt Issuance Costs | (3,233,615) | - | (724,062) | (300,000) | - |
| Proceeds from Sale of Fixed Assets | 29,564 | 222,906 | 57,083 | 20,000 | 30,000 |
| Total Other Financing Source (Uses) | 161,007,558 | 5,343,882 | 29,992,220 | 52,280,488 | 2,590,488 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 9,253,523 | (53,326,082) | (16,247,807) | 11,662,300 | (73,629,499) |
| RESERVE FOR CONTINGENCY | - | - | - | 1,299,700 | 3,278,900 |
| FUND BALANCE, BEGINNING | 195,535,425 | 204,788,949 | 151,462,867 | 135,215,059 | 145,577,659 |
| FUND BALANCE, ENDING | \$ 204,788,949 | \$ 151,462,867 | \$ 135,215,059 | \$ 145,577,659 | \$ 68,669,260 |

SUMMARY OF ALL FUNDS

FUND BALANCE ANALYSIS

Nevada Revised Statutes 354.433 defines Fund Balance as the excess of assets over liabilities in a governmental fund. Put another way, fund balance represents the net difference between total financial resources and total appropriated uses. Fund balances provide a financial cushion against anticipated changes. While changes may occur from year to year, maintaining proper fund balances over the long term is an important component of sound financial management and a significant factor in bond ratings.

Fund balances will vary by fund. Total FY 2015 ending fund balance for all funds is projected to be \$68.7 million. This is comprised of: \$8.9 million in the General Fund, \$802,000 in the Capital Fund, \$49.5 million in the Debt Service Fund and \$9.5 million in the Internal Service Fund.

General Fund – Beginning fund balance for FY 2015 is projected to be \$12.0 million. Fund balance is the amount of unencumbered cash that ensures services could be provided for a short time if commitments exceeded revenues. Because all room tax received in July is accrued back to June 30, 2014, it is already part of ending fund balance. Most facility rental revenue received in July is earned in June and therefore it, too, is a part of ending fund balance. The first "new" money we receive is in the middle of August. Therefore, the LVCVA operates for four to six weeks off of beginning fund balance. This is used to cover expenditures (i.e. payroll, and supplies and services) for at least two to four weeks.

Capital Fund – Fund balance in the capital fund is used as a supplement to capital projects if necessary. Capital reserves, unless spent, roll each fiscal year through fund balance, which accounts for fluctuations. There are no requirements to maintain a specific excess of assets over liabilities in the capital fund. All new capital funding is expected to be spent in FY 2015.

Debt Service – The obligations of the debt service funds are met by transferring funds adequate to make the principal and interest payments on the various issues. The majority of remaining fund balance of \$49.5 million on June 30, 2015 is used to pay the principal and interest payments due on the first day of the next fiscal year (July 1). Debt Service fund balance is increasing due to the rising debt service requirements associated with the state mandate to fund a portion of NDOT projects in Clark County and the beginning stages of the Las Vegas Global Business District. A portion of the remaining fund balance is restricted as security for the 2010E revenue bonds per the Bond Resolution. The Reserve Fund is required to be maintained as a continuing reserve and amounts on deposit in the Reserve Fund may only be used to meet deficiencies in the Bond Fund.

Internal Service Fund – The Internal Service Fund is the accumulation of funds specifically restricted for the Other Post-Employment Benefits liability. A ten-year target to fully fund the reserve has been established and will be evaluated each budget year.

GENERAL FUND SUMMARY

The general fund is the general operating fund of the LCVVA, accounting for most financial resources not specifically accounted for in another fund. General fund revenues include room taxes and gaming fees, use of facilities, other fees and charges, and interest earnings. The LCVVA has classified its expenditures by functions, activities, and organization units (see table on page 10). General fund expenditures are those that are made in the normal operations of the LCVVA.

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|---------------------------------------------|-----------------------|----------------------|----------------------|----------------------------|-----------------------------|-------------|
| REVENUES: | | | | | | |
| Room Taxes and Gaming Fees | \$ 177,345,164 | \$ 201,406,046 | \$ 205,028,018 | \$ 214,950,000 | \$ 223,550,000 | 4% |
| Use of Facilities | 45,641,854 | 46,756,947 | 45,043,436 | 48,975,900 | 46,657,400 | -5% |
| Other Fees and Charges | 2,516,805 | 2,412,021 | 2,803,458 | 3,223,800 | 2,846,000 | -12% |
| Interest and Other | 556,205 | 245,569 | 176,440 | 204,500 | 188,500 | -8% |
| Total Revenues | 226,060,028 | 250,820,583 | 253,051,352 | 267,354,200 | 273,241,900 | 2% |
| EXPENDITURES: | | | | | | |
| General Government | 10,373,913 | 12,452,224 | 13,246,144 | 14,378,200 | 15,004,800 | 4% |
| Marketing | 27,458,590 | 30,289,998 | 30,301,848 | 29,502,000 | 28,780,000 | -2% |
| Advertising | 79,504,487 | 83,636,231 | 90,587,216 | 93,042,300 | 91,000,000 | -2% |
| Special Events | 8,058,471 | 7,713,777 | 8,233,771 | 9,017,576 | 9,030,000 | 0% |
| Global Business District | 34,008,771 | 37,131,878 | 36,690,902 | 44,312,400 | 45,366,800 | 2% |
| Community Support | 18,784,517 | 21,140,605 | 20,502,802 | 21,495,000 | 22,355,000 | 4% |
| Other | 200,662 | 16,980 | 6,379 | - | - | 0% |
| Total Expenditures | 178,389,411 | 192,381,692 | 199,569,062 | 211,747,476 | 211,536,600 | 0% |
| Excess of Revenues over Expenditures | 47,670,617 | 58,438,891 | 53,482,290 | 55,606,724 | 61,705,300 | 11% |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Operating Transfers In: | | | | | | |
| Capital Projects Funds | 10,000,000 | - | - | - | - | 0% |
| Debt Service Funds | 1,540,470 | 97,149 | 69,938 | 86,700 | 81,500 | -6% |
| Operating Transfers Out: | | | | | | |
| Internal Service Fund | - | - | (3,000,000) | (3,000,000) | (3,500,000) | 17% |
| Capital Projects Funds | (500,000) | (14,000,000) | (12,800,000) | (7,250,000) | (1,000,000) | -86% |
| Debt Service Funds | (42,513,475) | (47,035,737) | (49,978,232) | (53,425,288) | (57,173,912) | 7% |
| Proceeds from Sale of Fixed Assets | 29,564 | 222,906 | 57,083 | 20,000 | 30,000 | 50% |
| Total Other Financing Sources (Uses) | (31,443,441) | (60,715,682) | (65,651,212) | (63,568,588) | (61,562,412) | -3% |
| Reserve for Contingency | - | - | - | 1,299,700 | 3,278,900 | 152% |
| FUND BALANCE, BEGINNING | 19,500,027 | 35,727,203 | 33,450,412 | 21,281,490 | 12,019,926 | -44% |
| FUND BALANCE, ENDING | \$ 35,727,203 | \$ 33,450,412 | \$ 21,281,490 | \$ 12,019,926 | \$ 8,883,914 | -26% |
| Total Capital Outlay | \$ 156,987,218 | \$ 76,177,104 | \$ 47,628,540 | \$ 42,320,537 | \$ 74,736,500 | 77% |
| Total Full-Time Personnel | 505 | 505 | 505 | 510 | 515 | 1% |

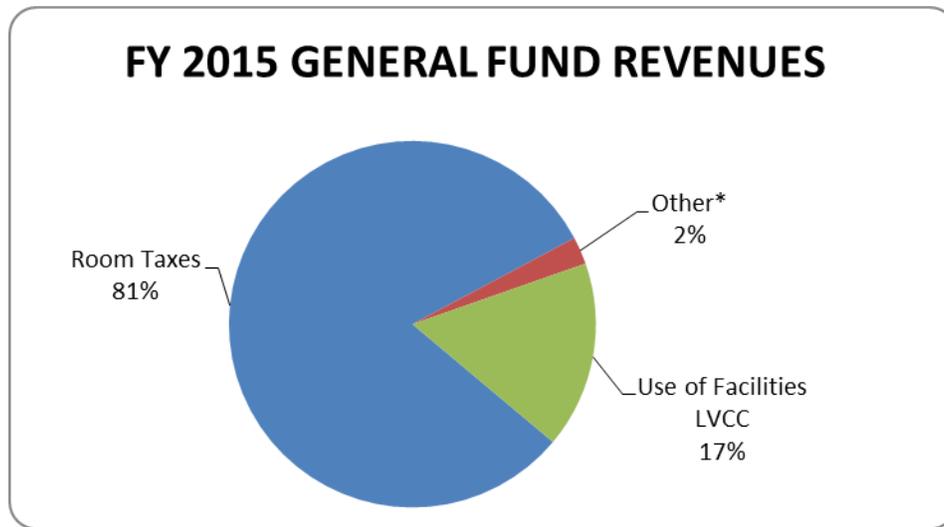
GENERAL FUND SUMMARY

REVENUES

Operating revenues, including other financing sources, for FY 2015 total \$273.2 million, an increase of 2% over FY 2014 adopted budget. This is primarily due to a budgeted increase in room tax combined with an expected decrease in use of facilities and other fees and charges. Use of facilities revenue for the Las Vegas Convention Center is down 5%, mainly due to the seasonal rotation of tradeshow. Room taxes, the major source of revenue, are expected to increase 4% over the FY 2014 budget. Gaming fees are expected to remain flat at \$1,950,000.

Use of facilities revenue represents approximately 17% of total revenues. Building usage, which is based on actual leases confirmed and signed, is projected to decrease 5% as compared to FY 2014 budget primarily due to the cyclical nature of show activity in the building, most significantly, a large triennial international construction industry trade show (CONEXPO-CON/AGG) which occurred in FY 2014. However, FY 2015 is expected to grow 5% over FY 2013 actual results.

Other fees and charges are expected to decrease 12%, mainly due to a \$400,000 non-reoccurring international air development sponsorship contribution from McCarran International Airport.



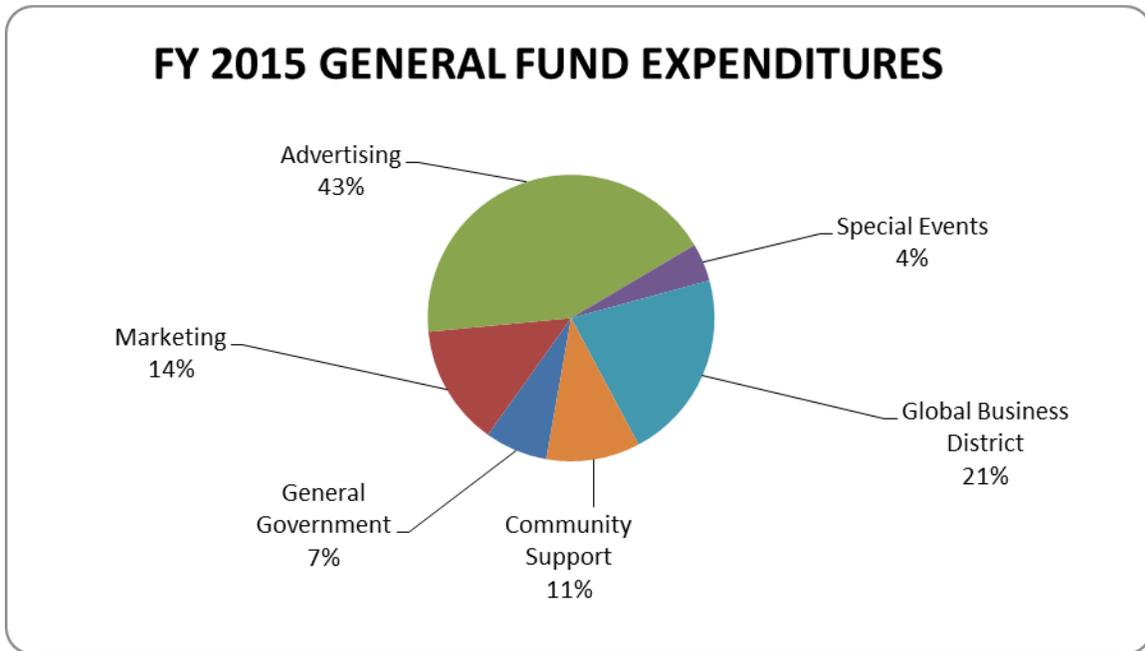
*Other includes: Use of Facilities Cashman, Gaming Fees, Interest/Other, Other Fees and Charges and Other Financing Sources

EXPENDITURES

General fund expenditures are divided into three main categories: salaries and wages, employee benefits, and services and supplies. Salaries and wages represent 18% of total general fund expenditures, including advertising. Included in this amount, however, are temporary salaries and overtime of \$2,175,000. Employee benefits are 39.1% of the regular salaries budget of \$38,040,000.

On a division level, salaries and wages make up 48% of the General Government budget and 52% of the Global Business District budget. In the Marketing Division, sales, advertising, and promotion represent 93% of the budget, while salaries and wages account for only 5%.

Total operating expenditures total \$211,536,600; a less than 1% decrease compared to the revised FY 2014 budget.



OTHER FINANCING SOURCES (USES)

These are usually comprised of operating transfers in (i.e. interest earned in other funds) and transfers out (i.e. funding for other funds), along with sale of fixed assets. An operating transfer is a legally authorized transfer from a fund receiving revenue to the fund through which the resources are to be expended. A total of \$61.7 million is being transferred to other funds.

FUND BALANCE

Projected ending fund balance on June 30, 2015 is \$8.9 million. State law provides guidance for an ending fund balance of no less than 4.0% of budgeted expenditures. The FY 2015 ratio is 4.2%, which meets statutory guidance and internal policy.

CAPITAL OUTLAY

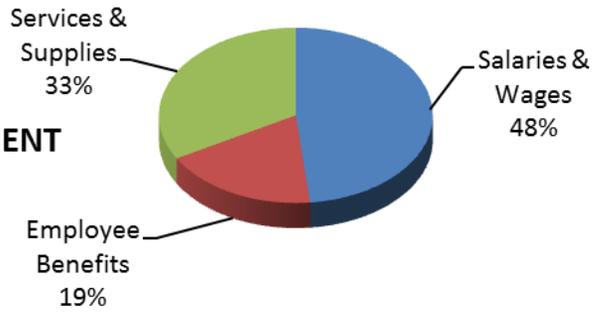
Capital outlay includes all projects accounted for in the capital improvement and replacement fund (see pages 77-83) for additional details). The total amount shown includes capital expenditures for furnishings, equipment, improvements or additions to land and buildings financed by general fund revenues. In each division's budget analysis, the amount includes only furnishings and equipment. Two exceptions are: (1) all computer-related items are accounted for in the Information Technology Department's (Global Business District Division) capital budget; and (2) all building, land and leasehold improvements are coordinated by the Facility Projects section of the Engineering department (Global Business District Division). For FY 2015 \$1 million is being transferred to the Capital Fund. Focus is on updating and replacing those items which were deferred during the previous fiscal years due to economic concerns, as well as updating the appearance of the facilities.

TOTAL FULL-TIME PERSONNEL

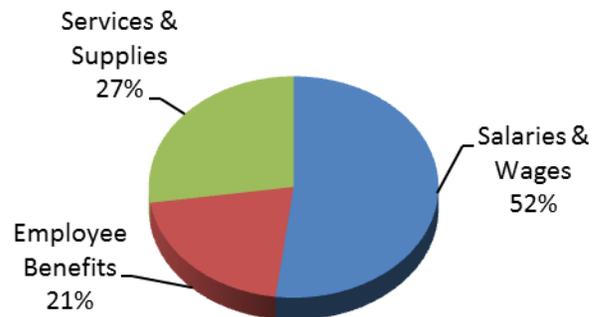
There are 5 new positions being requested this year, all in the area of Safety/Security. The total number of authorized positions currently stands at 510 for FY 2014. For additional information concerning personnel allocation, see pages 129-136.

FY 2015 EXPENDITURES BY DIVISION

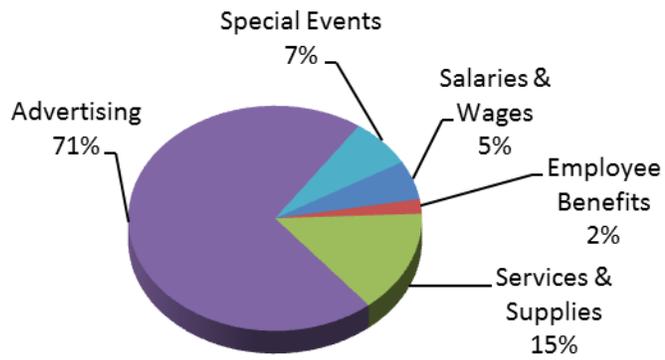
GENERAL GOVERNMENT



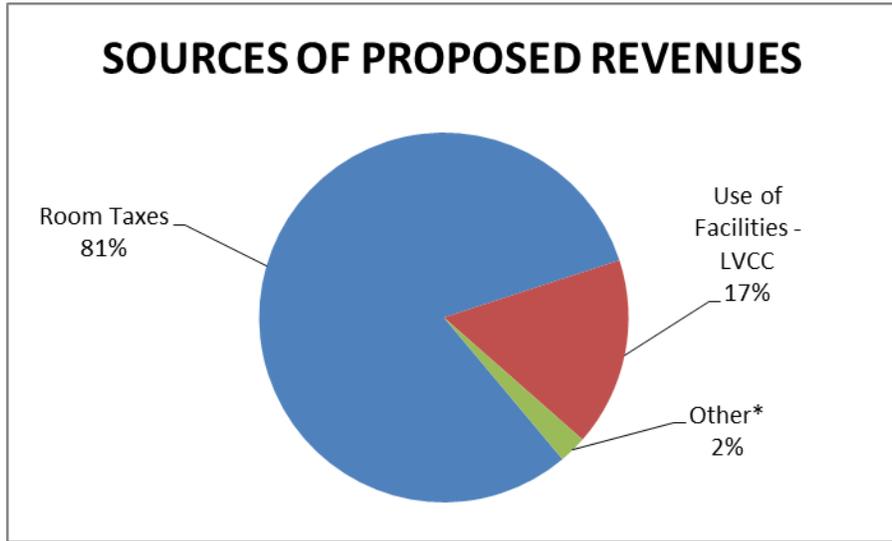
GLOBAL BUSINESS DISTRICT



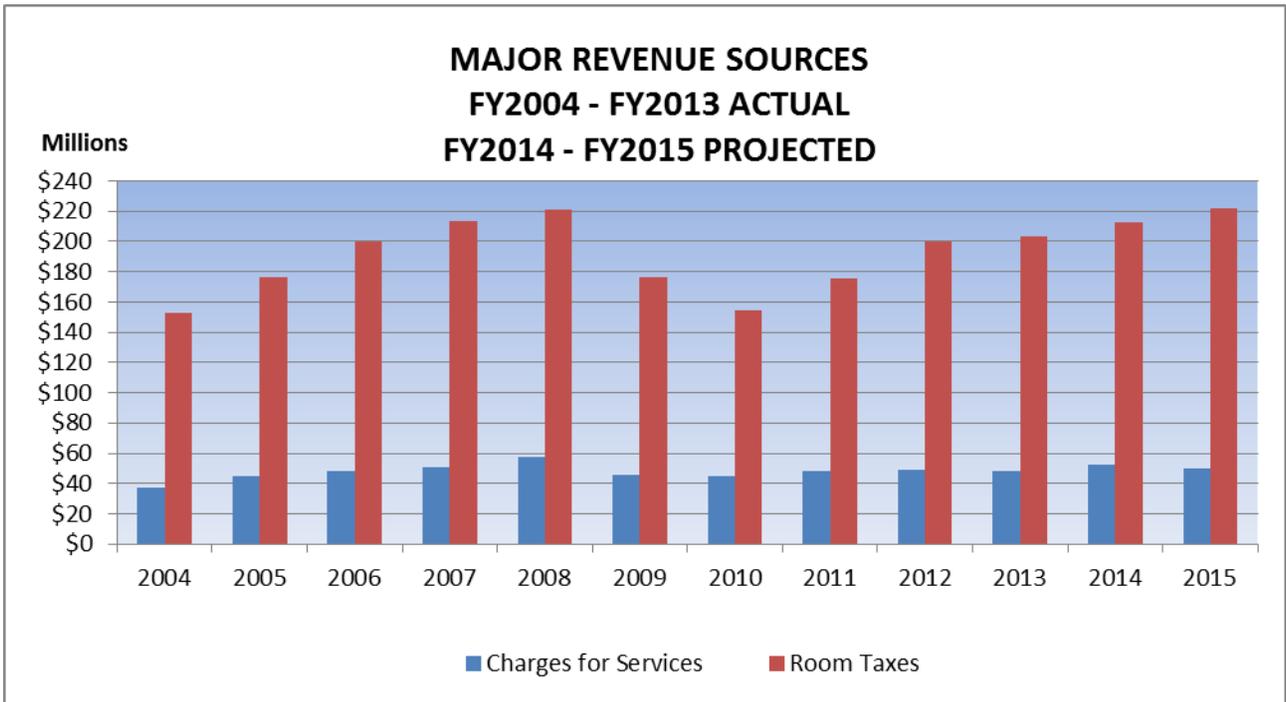
MARKETING



GENERAL FUND



*Other includes Other Fees and Charges, Gaming Fees, Interest, Use of Facilities Cashman Center, and Interest.



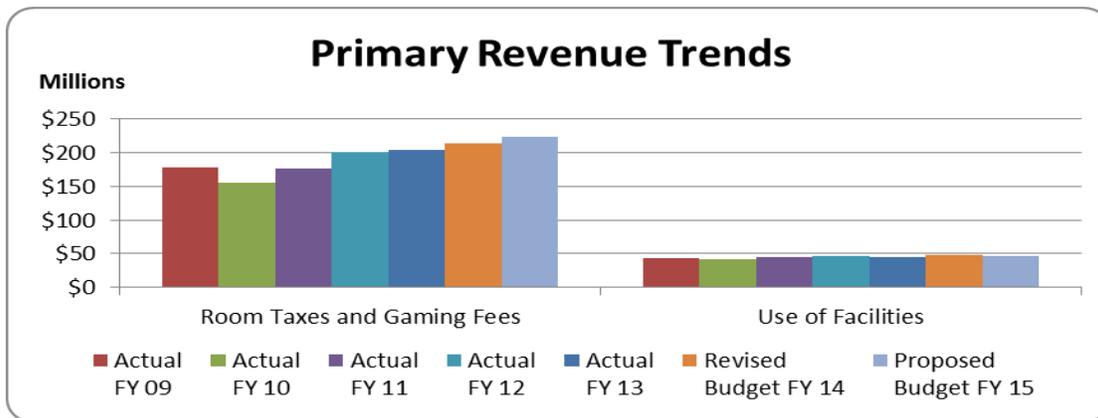
Charges for Services include Use of Facilities revenue for both facilities and Other Fees and Charges.

REVENUE

REVENUE SUMMARY

Total general fund revenues, including other financing sources for FY 2015 are \$273.4 million, which is a 2.2% increase as compared to the FY 2014 adopted budget. Revenue components are room taxes and gaming fees, use of facilities, other fees and charges, and interest and other.

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVENUES AND OTHER FINANCING SOURCES | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-----------------|-----------------|-----------------|---------------------------------------------|----------------------------|-----------------------------|-------------|
| 177,345,164 | 201,406,046 | 205,028,018 | Room and Gaming Fees | 214,950,000 | 223,550,000 | 4.0% |
| 45,641,854 | 46,756,947 | 45,043,435 | Use of Facilities | 48,975,900 | 46,657,400 | (4.7%) |
| 2,516,805 | 2,412,021 | 2,803,458 | Other Fees and Charges | 3,223,800 | 2,846,000 | (11.7%) |
| 556,204 | 245,569 | 176,440 | Interest and Other | 204,500 | 188,500 | (7.8%) |
| 226,060,028 | 250,820,584 | 253,051,352 | Total Revenues | 267,354,200 | 273,241,900 | 2.2% |
| 11,570,034 | 320,055 | 127,021 | Other Financing Sources | 106,700 | 111,500 | 4.5% |
| 237,630,062 | 251,140,639 | 253,178,373 | Total Revenues & Other Financing Sources | 267,460,900 | 273,353,400 | 2.2% |



Room Tax Revenue

Room tax revenue is budgeted to increase 4% in FY 2015 as compared to FY 2014 adopted budget. The primary factors affecting room taxes are the average daily rate (ADR) and occupancy rates. ADR is driven by visitation levels combined with the number of rooms available. The number of rooms available will remain substantially flat. Visitation is trending to increase slightly in FY 2015. Taxable ADR had increased steadily since FY 2010 and is tracking growth of 6% in FY 2014. Occupancy rate is averaging 82% year to date in FY 2014 and is expected to grow and additional 0.5% in FY 2015. The Occupancy Rate in the greater Las Vegas metropolitan area consistently exceeds that in other major resort destinations and significantly outpaces the national average each year.

Use of Facilities

Use of facilities revenue projections are based on actual confirmed and signed leases as well as conservative expectations for additional facility usage. The rental income related to the Las Vegas Convention Center is expected to decrease 4.7% from FY 2014 budget. The decrease from the past year was expected as FY 2014 included CONEXPO-CON/AGG, a large construction trade show held every three years. An excerpt of rental rates per facility is included in the statistical data section, page 143.

Other Fees and Charges

Other fees and charges reflect a 12% decrease in FY 2015, primarily due to a non-recurring international air development sponsorship contribution in FY 2014.

For additional information on historical revenue trends, please see the statistical data section, pages 137-138.

ROOM TAXES

The LVCVA’s primary source of revenues, approximately 81% in FY 2015, is from a tax levied on hotels, motels, and other lodging establishments throughout Clark County and the incorporated cities therein. The incorporated cities are Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite. The rate of tax levied varies from 12% to 13% for resort hotels and 10% to 12% for non-resort hotels depending on the establishment’s jurisdiction (see page 150 for room tax rate breakdown by jurisdiction). The rate of taxes can only be increased by action of the Nevada State Legislature, which last occurred during the 2009 legislative session. The room tax rate for counties whose population is over 300,000 was increased by 3% (not to exceed a total of 13%).

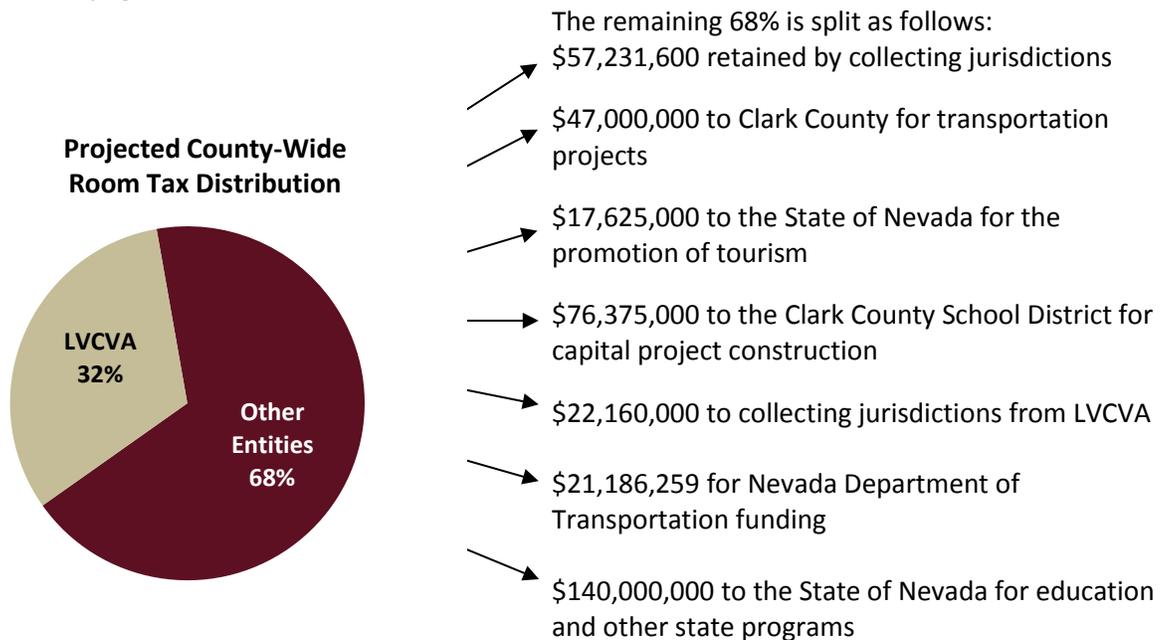
In general, the tax for resort hotel room rentals will be distributed as follows:

| | |
|---------|---------------------------------------------------------------|
| 4% - 5% | LVCVA - General Fund |
| 1 5/8% | Clark County School District - Capital Projects |
| 0% - 2% | City/County (collecting entities jurisdiction) - General Fund |
| 1% | Clark County - County transportation tax |
| 3/8% | State of Nevada - Promotion of tourism |
| 2% - 3% | State of Nevada - Education and other state programs |

The LVCVA’s portion of room tax is generally 1% less on non-resort room rentals.

The total tax on rooms averages approximately 12%. It is projected that the total tax on rooms collected county-wide will be approximately \$559,800,000.

The LVCVA retains only 32% of the total room tax collected in Clark County (\$221,600,000 less \$22,160,000 which is returned to the entities in the form of grants and collection allocation and \$21,186,259 for NDOT funding). Currently, 10% of the total room taxes and gaming fees collected for the LVCVA are returned to the county and the cities. The division of this collection allocation is set forth in an agreement between the various entities and may be designated by the individual entities for any purpose. The distribution to the county and its incorporated cities is based upon the governor-certified population figures as prepared by the state demographer. Collection allocation is discussed further on page 75.



REVENUE

ROOM TAXES (continued)

The table below presents a breakdown of the unrestricted room taxes received from the County and the incorporated cities. Projected room taxes are expected to increase 4% over the FY 2014 room tax budget.

ROOM TAX BY JURISDICTION

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Clark County | 162,890,622 | 185,323,146 | 188,590,986 | 197,679,000 | 206,105,400 |
| Las Vegas | 8,150,074 | 9,199,722 | 9,310,685 | 9,777,000 | 10,062,700 |
| North Las Vegas | 710,196 | 765,180 | 774,917 | 818,000 | 830,500 |
| Henderson | 2,872,015 | 3,488,850 | 3,675,765 | 3,853,000 | 3,824,600 |
| Boulder City | 66,676 | 78,457 | 72,745 | 77,000 | 79,000 |
| Mesquite | 736,394 | 737,144 | 771,328 | 796,000 | 697,800 |
| | 175,425,977 | 199,592,498 | 203,196,425 | 213,000,000 | 221,600,000 |
| % Change | | 13.8% | 1.8% | 4.8% | 4.0% |

| Calendar Year | ACTUAL 2010 | ACTUAL 2011 | ACTUAL 2012 | ACTUAL 2013 | PROJECTED 2014 |
|----------------|----------------|----------------|----------------|----------------|-------------------|
| Hotel Rooms | 161,052 | 162,258 | 162,559 | 162,662 | 163,360 |
| % Growth | (0.2%) | 0.7% | 0.2% | 0.1% | 0.4% |
| Occupancy Rate | 80.4% | 83.8% | 84.4% | 84.3% | 83.0% |

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
|---------------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Gaming Fees | 1,919,186 | 1,813,548 | 1,813,548 | 1,950,000 | 1,950,000 |
| Room Tax | 175,425,978 | 199,592,498 | 199,592,498 | 213,000,000 | 221,600,000 |
| Total Room & Gaming | 177,345,164 | 201,406,046 | 201,406,046 | 214,950,000 | 223,550,000 |

Most visitors to Las Vegas are unaware that the fabled “Las Vegas Strip” is not within the boundaries of the incorporated city of Las Vegas. That fact accounts for the disparity in room taxes with 93% of the budgeted room taxes from Clark County.

The average rate of growth in room tax revenue has been 5% over the past decade. Factors considered in projecting room taxes are:

- ✧ Number of available hotel rooms (see statistical data section page 148)

There are approximately 162,662 hotels and motel rooms in the county from 308 properties; over 65% of the properties are non-gaming in nature. Not included in the 162,662 rooms, is the 9,481 timeshare-unit inventory. In FY 2015, the destination anticipates slightly over 2,000 new room additions to inventory.

- ✧ Blended occupancy rates (see statistical data section page 149)

It is a combined rate from the Las Vegas, Mesquite and Laughlin properties, which participate in our monthly survey.

REVENUE

ROOM TAXES (continued)

- ✧ Blended average daily room rate is based upon rates from revenue generating rooms at Las Vegas, Mesquite, and Laughlin hotel, motel and timeshare properties.
- ✧ National and international economic conditions and events.
- ✧ Monitor such domestic economic indicators as: consumer and business capital spending, unemployment and interest rates, the airline transportation market, crude oil prices.

GAMING FEES

Gaming fees are quarterly license fees imposed on operators of games based on the number of table games and slot machines in operation (see table below). These fees were originally established in 1957 and have remained unchanged. Boulder City does not allow gaming; therefore, no gaming fees.

| QUARTERLY FEE PER GAME OR SLOT MACHINE | Clark County, Cities of North Las Vegas, Henderson, and Mesquite | City of Las Vegas |
|------------------------------------------------------|------------------------------------------------------------------|-------------------|
| Casinos having 6 or more games | \$40.00 | \$12.00 |
| Casinos having 2 to 5 games | 25.00 | 7.50 |
| Casinos having fewer than 2 games | 10.00 | 3.00 |
| Slot machines, more than 12 within one establishment | 2.50 | 0.75 |
| Slot machines, fewer than 12 in one establishment | 1.00 | 0.25 |

Historically, gaming fees provide only 1% of the total revenue for the LVCVA. Gaming fees are difficult to predict because of the following factors:

- ✧ Constant layout reconfigurations by existing casinos. (Example: removal of gaming tables to place slot machines and vice-versa).
- ✧ Construction or closure of gaming establishments (includes not only hotel casino properties but also neighborhood bars, convenience stores, and other licensed gaming establishments).

Gaming fees are anticipated to remain stable from FY 2014 to FY 2015.

GAMING FEES BY JURISDICTION

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Clark County | 1,452,328 | 1,436,997 | 1,367,233 | 1,503,200 | 1,496,000 |
| Las Vegas | 106,666 | 91,013 | 111,892 | 103,300 | 84,500 |
| North Las Vegas | 150,000 | 104,300 | 122,887 | 134,100 | 131,800 |
| Henderson | 179,028 | 155,194 | 193,217 | 177,200 | 191,500 |
| Mesquite | 31,163 | 26,043 | 36,359 | 32,200 | 46,200 |
| | 1,919,186 | 1,813,548 | 1,831,589 | 1,950,000 | 1,950,000 |
| % Change | | (5.5%) | 1.0% | 6.5% | 0.0% |

REVENUE

USE OF FACILITIES

The LVCVA owns and operates two facilities, the Las Vegas Convention Center and Cashman Center. These facilities were originally not intended to be self-supporting, but rather to generate visitors to the Las Vegas area. These visitors, in turn, generate room tax revenues while contributing to the overall economy. Facility operations are anticipated to generate 18% of total revenues. Over the last 10 years, the average rate of growth has been 4.3% for the Convention Center. This is attributable to a heightened emphasis on selling the facilities, raising rental rates, and an increase in the available space at the Las Vegas Convention Center at various intervals. Over the past decade Cashman Center usage has declined an average of less than 1%.

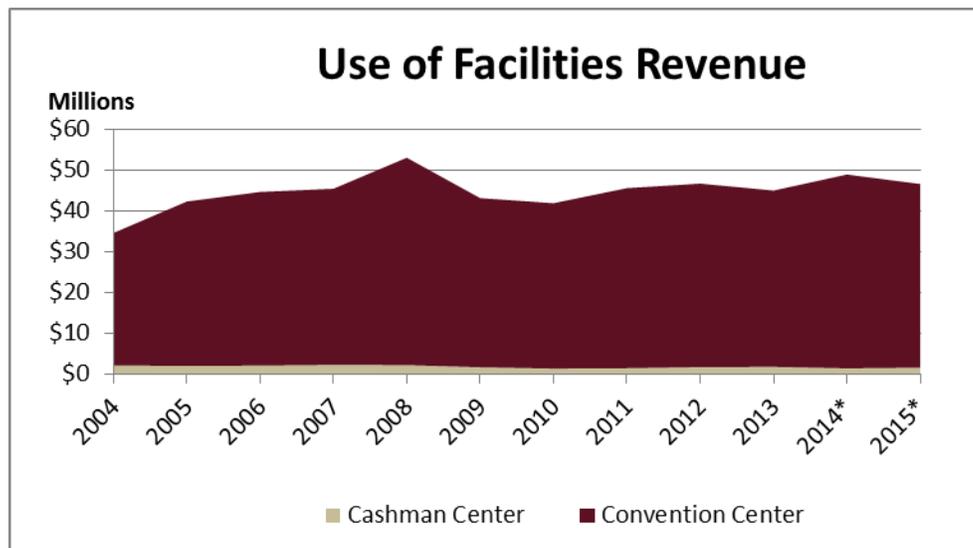
| | Convention Center | | Cashman Center | |
|-------|-------------------|------------|-------------------|------------|
| | Use of Facilities | % Increase | Use of Facilities | % Increase |
| 2004 | 32,469,177 | 8.0% | 2,158,587 | 4.6% |
| 2005 | 40,305,355 | 24.1% | 2,055,355 | (4.8%) |
| 2006 | 42,583,037 | 5.7% | 2,115,638 | 2.9% |
| 2007 | 43,197,430 | 1.4% | 2,307,070 | 9.0% |
| 2008 | 50,848,050 | 17.7% | 2,246,808 | (2.6%) |
| 2009 | 41,474,677 | (18.4%) | 1,709,850 | (23.9%) |
| 2010 | 40,550,001 | (2.2%) | 1,389,381 | (18.7%) |
| 2011 | 44,157,694 | 8.9% | 1,484,160 | 6.8% |
| 2012 | 45,004,264 | 1.9% | 1,752,683 | 18.1% |
| 2013 | 43,228,221 | (3.9%) | 1,815,215 | 3.6% |
| 2014* | 47,529,500 | 10.0% | 1,446,400 | (20.3%) |
| 2015* | 45,043,500 | (5.2%) | 1,613,900 | 11.6% |

* Projected

Use of Facilities revenues are generated through a variety of rental charges (i.e. halls, meeting rooms, equipment, and parking lots, along with concessions and contractor services' commissions).

The revenue spikes in Use of Facilities in FY 2005, FY 2008 and FY 2011 are due to hosting CONEXPO – CON/AGG, the world's largest construction show, in those years. This show returned in March 2014.

At Cashman Center, use of facilities revenue increases are due to a higher number of events.



REVENUE

Use of Facilities revenues is projected to be \$45,043,500 for the Las Vegas Convention Center and \$1,613,900 for Cashman Center.

These projections are based on the following:

- ✧ Below are rental rates for the Las Vegas Convention Center (for excerpt, see page 143). As new clients are obtained and older clients renew agreements, these lease agreements will come under the new rates. There are still a few multi-year agreements outstanding, which are being honored at the older rates.

HISTORY OF RENTAL RATES – LAS VEGAS CONVENTION CENTER

| | |
|------------------------------|--------------------------|
| 5 cents per net square foot | 1959-1988 |
| 15 cents per net square foot | 1988-1998 |
| 20 cents per net square foot | 1998-2001 |
| 25 cents per net square foot | January 2002 - June 2009 |
| 29 cents per net square foot | July 2009 – present |

- ✧ The most recent rate increase was accomplished in July 2009. The Authority is currently conducting a comprehensive evaluation of direct facility operating costs, indirect overhead allocations and facility use revenue. The fiscal operating margin associated with the LVCC will help management determine the level and timing of any future rate increases. There is no proposed increase during FY 2015.
- ✧ Analysis of actual bookings, signed lease agreements and prior experience, such as cyclical shows, that hold their meetings and tradeshow every number of pre-determined years, or for three to five years consecutively.

REVENUE

OTHER FEES AND CHARGES

Other Fees and Charges are comprised of a variety of revenue sources. The majority is derived from the independent services that are not directly related to the rental of facilities, but rather services that can be supplied separately, such as conventions using LVCVA registration personnel. Also included are revenues from rental and commission agreements, reimbursements from participating properties in tradeshow, and special event revenue sharing arrangements.

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
|------------------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Other Fees and Charges | 2,516,805 | 2,412,021 | 2,803,458 | 3,223,800 | 2,846,000 |
| % Change | | (4.2%) | 16.2% | 15.0% | (11.7%) |

Historically, Other Fees and Charges account for approximately 2% of total revenues. Revenue is anticipated to decrease this fiscal year as no special event revenue is expected, while all other sources remain stable or with moderate increases.

INTEREST AND OTHER

Interest and Other is comprised of interest earnings and discounts earned on investments and represents less than 1% of total revenues. Interest earnings are generated not only from cash balances invested in government guaranteed securities but are also earned on the room taxes which are collected and distributed by Clark County. All cash balances are invested daily.

| | ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 |
|----------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Interest | 551,904 | 240,177 | 170,348 | 199,200 | 182,800 |
| % Change | | (56.5%) | (29.1%) | 16.9% | (8.2%) |
| Other | 4,301 | 5,391 | 6,091 | 5,300 | 5,700 |
| % Change | | 25.3% | 13.0% | (13.0%) | 7.5% |

It is difficult to project interest earnings because of their dependency on the size of the portfolio, fluctuations in interest rates, and availability of policy-approved securities. For the FY 2015 budget, total Interest and Other are estimated to be \$182,800 and \$5,700 respectively.

OTHER FINANCING SOURCES

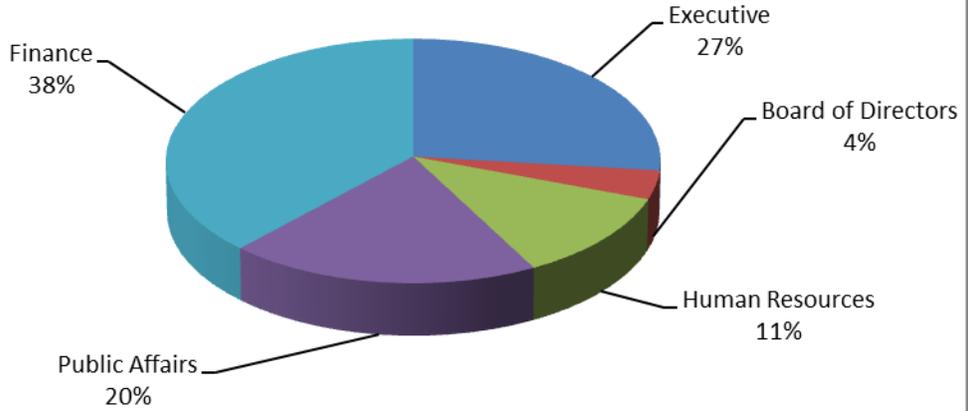
Typically, Other Financing Sources accounts for operating transfers in from other funds (i.e. interest earnings from debt service funds) and sale of fixed assets, but it can also include proceeds of sale of bonds. FY 2015 transfers from debt service relate to interest earnings of \$81,500. Proceeds from the sale of fixed assets are anticipated to be \$30,000.

GENERAL GOVERNMENT

The general government function includes the Board of Directors along with the Executive, Human Resources, Public Affairs, and Finance departments. The Executive department is responsible for the general administration of the LVCVA and is not only comprised of the offices of the President and Senior Vice Presidents, but also Internal Audit and Legal Counsel.

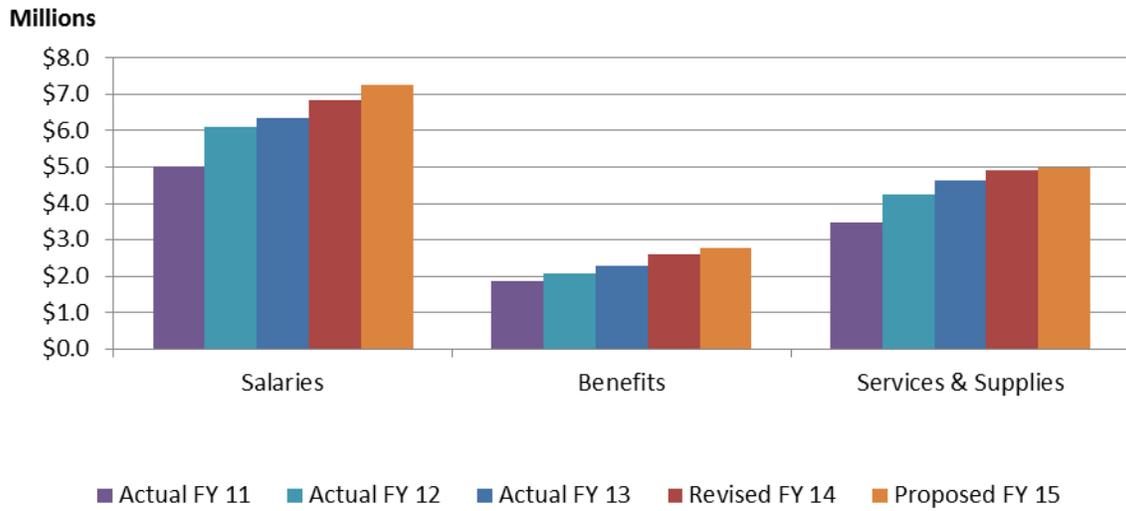


FY 2015 EXPENDITURES



* Executive includes the offices of the President, Senior Vice Presidents, Legal, and Internal Audit.

**COMPARISON OF ACTUAL TO BUDGET
FY 11 - FY 12 - FY 13 - FY 14 - FY 15**



GENERAL GOVERNMENT

BUDGET ANALYSIS

The general government function includes the Board of Directors along with the Executive, Human Resources, Public Affairs and Finance departments. Increases in the Salaries and Wages along with Benefits categories are primarily due to salary increases and bonuses and in health insurance premiums.

No new positions have been requested in FY 2015.

Requests for new modular furniture and camera within capital furniture and equipment were approved for this fiscal year. Computer-related items (i.e. computers, printers, software, scanners) are accounted for in Information Technology's capital budget (Global Business District division) and total \$29,600. These requests are accounted for in the capital improvement and replacement fund (see page 83).

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-----------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 5,018,346 | 6,100,202 | 6,333,685 | Salaries & Wages | 6,848,100 | 7,253,100 | 5.9% |
| 1,868,917 | 2,093,864 | 2,286,720 | Employee Benefits | 2,607,100 | 2,769,400 | 6.2% |
| 3,486,649 | 4,258,157 | 4,625,739 | Services & Supplies | 4,923,000 | 4,982,300 | 1.2% |
| 10,373,913 | 12,452,224 | 13,246,145 | | 14,378,200 | 15,004,800 | 4.4% |
| - | - | - | Capital Outlay | - | 18,000 | 0.0% |
| 77 | 77 | 77 | Full-time Personnel | 80 | 80 | 0.0% |

GENERAL GOVERNMENT - EXECUTIVE

BOARD OF DIRECTORS

The Board of Directors is comprised of 14 members representing Clark County, the incorporated cities within, and various segments of industry. The Board's primary function is to formulate policies to guide the LVCVA in fulfilling its mission to attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel. For additional information regarding the Board of Directors, such as members and terms of office, see page 3.

EXECUTIVE

The Executive Department is responsible for the general administration of the LVCVA and is not only comprised of the offices of the President/CEO and certain Senior Vice Presidents, but also Internal Audit and Legal Counsel. Executive management meets

daily with employees, hotel CEOs, community leaders, and convention association presidents to discuss any potential problems, as well as changes in the trends of the travel and convention industries.

Internal Audit provides independent and objective assurance services designated to add value and improve the LVCVA's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Legal Counsel meets with other divisions to ensure compliance with local government, state and federal laws, assists in preparation of proposed legislation, and conducts lobbying activities, acts as general counsel to the LVCVA Board of Directors, and drafts and approves legal documents (i.e. contracts, bid proposals).

Goals

- ❖ Partner with the resort industry to increase visitor volume and room nights while maintaining an effective average daily rate. (Executive Management)
- ❖ Coordinate all elements of marketing and operations to brand the destination for increased exposure and visitor volume. (Executive Management)
- ❖ Provide direction and oversight of the Las Vegas Global Business District (LVGBD) program that includes a fiscally responsible budget and finance strategy. (Executive Management)
- ❖ Ensure risk management policies and procedures identify risk factors and provide strategies and resources to transfer or mitigate these risks. (Legal Counsel)

GENERAL GOVERNMENT - PUBLIC AFFAIRS

The Public Affairs department consists of public relations, government affairs, the Las Vegas News Bureau and the Las Vegas Host Committee. The purpose of the Public Affairs department is to protect and enhance the reputation of the LVCVA and the destination through a broad spectrum of public

relations efforts and communication campaigns; to shape the advocacy agenda of the LVCVA in support of travel and tourism within the destination as well as nationally and internationally; and to engage the community, stakeholders and our employees in the LVCVA's overall strategy and success.

Goals

- ❖ Develop and implement an advocacy and communications campaign increasing awareness of the value of tourism with key stakeholders, including elected officials, the media and influential business and community leaders.
- ❖ Create and execute an external and internal communications strategy for the initial phases of the Las Vegas Global Business District to enhance community awareness of the project and its long-term benefits to the local economy.
- ❖ Expand and enhance strategic communications plan surrounding the vitality and importance of Las Vegas' meetings and convention industry in generating economic benefits for the destination.
- ❖ Develop and implement a strategic public relations program, highlighting the Boyd Aviation Conference, and generate media coverage of the convention and the destination.
- ❖ Develop and execute a strategic public relations plan for the 2014 Trade Show Trade Mission highlighting Las Vegas and generating domestic and Canadian media coverage.
- ❖ Develop a program to further engage Host Committee Ambassadors through volunteer welcome opportunities, recognition events, and promotional items.
- ❖ Develop a program to further engage and educate Valley High School students through Academy of Hospitality and Tourism.
- ❖ Increase outreach to hotel employees through presentations, printed materials, and Host Chair Goodman appearances.
- ❖ Continue to build on community partnerships to expand exhibition program to University of Nevada Las Vegas, College of Southern Nevada and other local museums and cultural organizations.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-----------------------------------------------------|-----------------|---------------|---------------|
| Media inquiries coordinated | 1,091 | 850* | 975* |
| News releases generated | 98 | 40* | 55* |
| News Bureau videos downloaded/distributed | 1,324 | 1,300 | 1,300 |
| Press Kits distributed/Online Press Kit page views | 22,919 | 26,102 | 28,000 |
| News Bureau photos distributed/distributed via wire | 26,356 | 27,000 | 27,000 |
| Community Exhibits | 13 | 10 | 13 |
| Speaking engagements | 174 | 215 | 235 |

*Decreases in activity due to consumer and international public relations departments moving to Marketing.

GENERAL GOVERNMENT - PUBLIC AFFAIRS

Prior Year Achievements

- ❖ Successfully developed and executed a strategic communications and public relations plan for 2013 World Route Development Forum. News coverage of the event and destination generated an estimated nearly \$8.7 million in publicity value with almost 167 million media impressions.
- ❖ Successfully developed and executed a strategic communications plan highlighting the value of meetings and conventions which resulted in positive news coverage of key industry shows, including Meetings Planners International's World Education Congress and IMEX America, as well as major trade shows held in Las Vegas.
- ❖ Organized and executed public relations programs that announced the strategic partnership of the LVCVA and the U.S. Department of Commerce to promote travel and tourism exports as well as the World Trade Center Las Vegas' strategic partnership with World Trade Center Mexico City.
- ❖ Successfully initiated strategic communications to place development of the Global Business District on the 2015 legislative agenda.
- ❖ Developed and launched social media program for Host Committee to broaden reach for welcoming conventions and visitors to Las Vegas.
- ❖ Strengthened relationships with local resort properties allowing for Host Committee presentations to their employees on the value of tourism and posting of digital welcome messaging on their marquees for targeted events.
- ❖ Improved Host Committee Ambassador outreach through expansion of newsletter and other communications and distribution of "Proud Tourism Ambassador" window decals.
- ❖ Developed and implemented partner event with NV 150 group for tourism rally.
- ❖ Developed and implemented quarterly signature events for National Finals Rodeo, NASCAR and Basketball, and National Travel and Tourism Week.
- ❖ Increased public outreach through Speakers Bureau presentations by 25 percent.
- ❖ Expanded the scope and reach of community exhibits of the Las Vegas News Bureau through partnerships with the Nevada Sesquicentennial and the Mob Museum.
- ❖ Renovated format and content of LV360 to make the program more lively and entertaining while still communicating core messages.

GENERAL GOVERNMENT - HUMAN RESOURCES

Human Resources will pursue an integrated talent management approach that is tied to LVCVA strategies and objectives. Responsibilities include recruitment, talent management and development, affirmative action, employee/labor relations, collective bargaining negotiations, classification and compensation, benefits administration, and the management of employment terms and conditions along with employee’s health, wellness and culture.

Goals

- ❖ Implement a Human Resources software recruitment module to reduce paper processing and to speed recruitment actions.
- ❖ Enhance employee communications throughout the authority by providing quarterly Keys to Success communications with all employees who supervise and by promoting the successes of the Coffee with Rossi Committee (employee suggestion program).
- ❖ Partner with our Safety Department to promote a safe and healthy workplace and to reduce workers compensation claims and costs.
- ❖ Direct the Leadership Academy providing professional development courses consisting of compliance training, customer service programs, leadership training, and over 1,500 online classes.
- ❖ Promote a healthy and high performance organization through an innovative corporate culture and wellness programs.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-------------------------------------------------------------------|-----------------|---------------|---------------|
| Authority Academy class attendance | 201 | 520 | 600 |
| Employees processed (promotions, transfers, hiring & separations) | 193 | 220 | 270 |
| Applicants processed | 546 | 600 | 750 |
| Recognition program cards redeemed | 415 | 400 | 500 |

Prior Year Achievements

- ❖ Concluded negotiations for a successor of the Collective Bargaining Agreement (CBA) with Service Employees International Union. Reviewed all articles and negotiated changes to improve business operations.
- ❖ Developed a customized Speaker Series sponsoring presenters Dr. Michael Green - “History of Las Vegas” and Chris Cutler - “Business Writing”.
- ❖ Administered the following employee recognition programs: 1) Annual Service Awards Luncheon recognizing employees and their years of service to the LVCVA. 2) Brand Vegas Champion Program that empowers each employee to recognize a co-worker once a quarter for going above and beyond in their job responsibilities. Recipients are eligible for a quarterly drawing of incentives.
- ❖ Enhanced “Coffee with Rossi” Steering Committee to maximize employee engagement. The committee consists of 12 members who participate in sessions, serve as liaisons to the Play Book, and meet quarterly with the President/CEO. The LVCVA recognizes the value of channeling its efforts toward making the organization a successful and premiere place of employment.

GENERAL GOVERNMENT - FINANCE

The Finance department is comprised of Financial Resources, Accounting, Payroll, Travel, Financial Systems, Records Management, Purchasing and Materials Management activities.

The mission of the Finance Department is to allocate the LVCVA's financial resources in accordance with applicable policies and laws, to safeguard the LVCVA's assets, and to provide accurate and timely financial information and assistance, to conduct all of our responsibilities with integrity, and to operate a customer service oriented department that contributes to the fulfillment of the LVCVA's strategic mission. The Finance Department maintains a general accounting system for the LVCVA to ensure accountability in compliance with legal provisions and in accordance with generally accepted accounting principles.

Finance and Accounting

Financial Resources

This section is responsible for cash management, debt management, capital assets and investment of the LVCVA's funds within the guidelines of Nevada Revised Statutes and the LVCVA's investment policy. Financial Resources also oversees the preparation, production and maintenance of the annual budget and the comprehensive annual financial report (CAFR), processes accounts receivable and monitors room tax revenue, as well as facility and contractual revenue.

Accounting

This section is responsible for the maintaining the general ledger, processing accounts payable and payroll, producing monthly expenditure/budget reports, and handling project accounting. Payroll processes the LVCVA's bi-weekly payroll for over 490 full-time employees and over 400 intermittent and temporary employees. Additional duties include payment of voluntary and involuntary deductions, various bonus programs, federal/state taxes, and retirement contributions.

Purchasing and Business Services

Financial Systems

This section is responsible for financial systems administration, records management and retention. Systems administration supports all computerized financial systems by coordinating upgrades, holding training initiatives, controlling system access and enhancing system processes. Records management ensures compliance with local, state and federal laws and regulations governing public records, managing conversion of paper to electronic records for various departments, and operating the record storage center.

Materials Management

This section provides organizational support and service through on site mailroom, reprographic, warehouse and distribution center operations. Reprographic support includes all large volume copy jobs, binding, lamination, folding, drilling, stapling, and typesetting. The warehouse and distribution center receives, stores, ships and manages brochures, promotional items, support materials, and shipments worldwide. Additional duties include asset management support, surplus property management auction and disposal.

Purchasing

This section is responsible for the procurement of all goods and services in compliance with local and state regulations and internal policies. Purchasing manages contract development, negotiation, sourcing and administration of contracts. Additional responsibilities include management of the procurement card program, requisition to purchase process, monitoring of deliverables, assistance with dispute resolution, and maintenance of vendor and contractor insurance documentation.

Travel Services

This section provides world class business and leisure travel services for all employees and stakeholders to promote the brand of Las Vegas, while assuring compliance to the LVCVA Travel Policy. Travel Services assists with travel authorizations and travel arrangements including air, hotel and car rental.

GENERAL GOVERNMENT - FINANCE

Goals

- ❖ Report all financial information in accordance with professional accounting standards and federal, state, and local laws.
- ❖ Provide timely and informative financial information to departments, executive leadership and the Board of Directors that facilitate the proper administration of the organization, are valuable as business decision tools, and are easily understood by our customers.
- ❖ Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting," the "Distinguished Budget Presentation Award" and the "Certificate of Excellence in Popular Financial Reporting" programs.
- ❖ Maintain superior levels of professional procurement standards worthy of the National Purchasing Institute (NPI) "Achievement of Excellence in Procurement Award."
- ❖ Provide financial guidance and expertise in development and implementation of the first phase of the LVGBD.
- ❖ Evaluate additional financial system initiatives for the potential of enhancing customer service levels through effectiveness, timeliness or efficiency of service.
- ❖ Assess and respond to the changing needs of our customers to provide enhanced services that support their mission.

Activity Measures

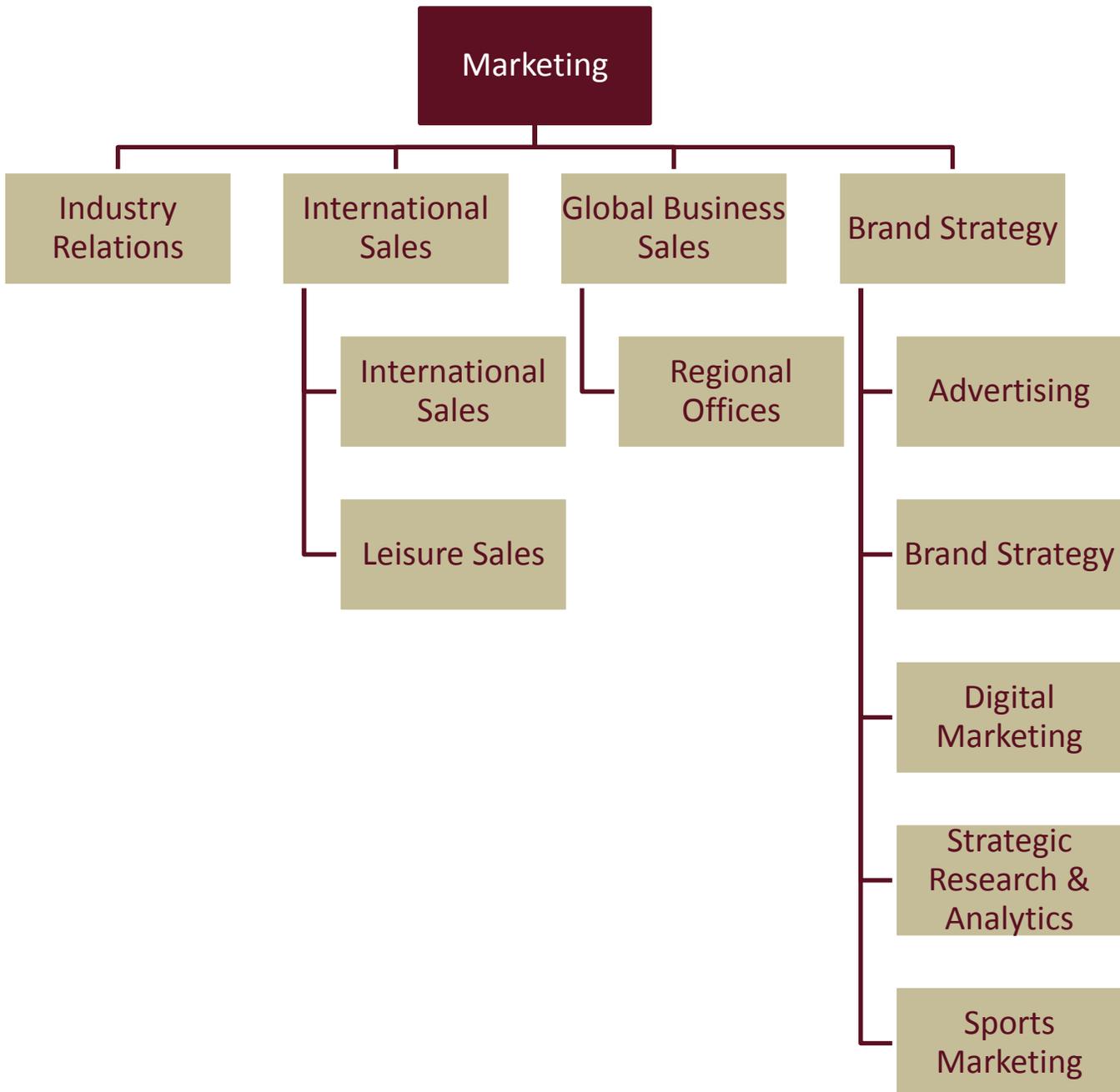
| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|---------------------------------------------------------------------------------------------------|-----------------|---------------|---------------|
| Earn GFOA Budget Award (total years) | 24 | 25 | 26 |
| Earn GFOA CAFR Award (total years) | 30 | 31 | 32 |
| Earn GFOA Award for PAFR (total years) | 7 | 8 | 9 |
| Earn Achievement of Excellence in Public Procurement Award (total years) | 18 | 19 | 20 |
| Full time/part time employees participating in direct deposit | 95% / 73% | 95% / 75% | 95% / 77% |
| Percent of disbursements made electronically | 84% | 84% | 83% |
| LVCVA's uninsured Revenue Bond rating (Moody's) and (S&P) | A1 / A+ | A1 / A+ | A1 / A+ |
| Maintain a rate of return on investments at no more than 50 basis points below the 6-month T-bill | +6bp | +5bp | +5bp |
| Number of calendar days to complete audit and produce CAFR (not to exceed 65) | 44 | 55 | 55 |
| Number of months that G/L closed within 8 business days | 6 | 7 | 8 |
| Staff Turnover Rate (not to exceed 10%) | 0% | 3% | 3% |
| Maintain at minimum a 3.0 debt service coverage ratio | 3.3 | 3.5 | 3.4 |
| Number of records imaged by page - all applications | 234,823 | 200,000 | 200,000 |
| Number of Systems Support Help Calls | 725 | 750 | 750 |
| Number of System Updates and Upgrades | 14 | 20 | 15 |
| RFP/BID Demand: Average per FTE Assigned | 14.5 | 15.0 | 17.0 |
| Managing Spend: Term contracts as a % of Purchase Orders | 84% | 85% | 86% |
| Quantity of outgoing packages packed and shipped | 50,538 | 54,000 | 54,000 |
| Quantity of Copy Center work orders completed | 676 | 700 | 700 |
| Warehouse dollars dispensed | 871,969 | 900,000 | 900,000 |
| Copies produced | 598,839 | 600,000 | 600,000 |

Prior Year Achievements

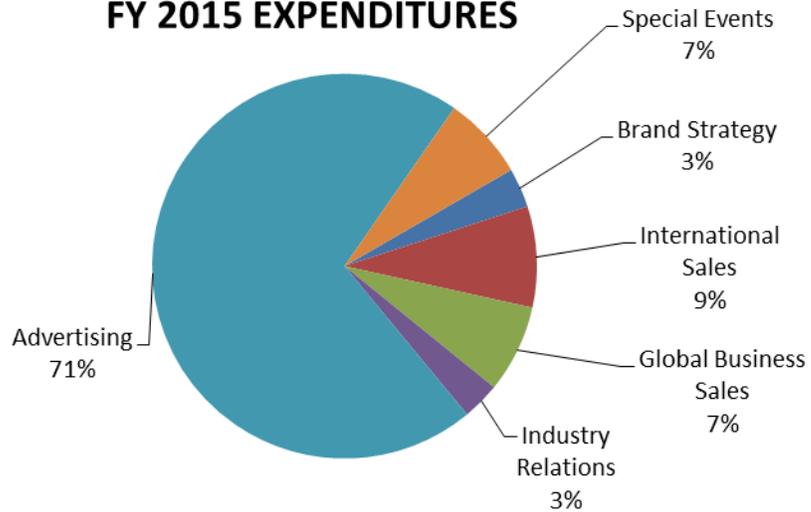
- ❖ Received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for the 30th consecutive year.
- ❖ Received the Distinguished Budget Presentation award from the Government Finance Officers Association for the 25th consecutive year.
- ❖ Received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 7th time.
- ❖ Received the Achievement of Excellence in Public Procurement Award from the National Purchasing Institute for the 19th consecutive year.
- ❖ Obtained an unqualified opinion on the annual audit.
- ❖ Maintained 99% inventory accuracy.
- ❖ Successfully issued \$50 million in tax-exempt general obligation bonds to support the first phase of the LVGBD.
- ❖ Implemented an organization-wide 3 year budget process to improve our long term planning processes. Employed a rolling capital stock replacement program that tracks all rolling capital assets over \$3,000 and identifies aged assets that need replacement, based on set and established criteria.
- ❖ Launched automated travel solution for travel requests and approvals throughout the organization.
- ❖ Introduced the Finance Quality Card, a short, voluntary, on-going and anonymous survey created to obtain continuous feedback from our internal customers.
- ❖ Hosted Committed To Our Community, a premier event focusing on local supplier outreach for the second time. The event was free to the public and focused on educating local business on procurement opportunities with Southern Nevada businesses and governments.
- ❖ Continued using the Bank of America credit card rebate program for the third year resulting in a rebate of \$107,000.
- ❖ Established paperless procurement throughout the Purchasing section including Bids, RFP's, purchase orders, and contract files.
- ❖ Scanned approximately 40,000 pages of current and historical board agendas/minutes for the Board Office respectively.
- ❖ Created maintenance reporting process for specialty items in Maximo (Scrubbers, Extractors, and Vacuums) to record costs for Rolling Capital Stock process.
- ❖ Streamlined Host Committee banner and event items required for storage at the Cambridge Warehouse. Designed stock numbers, and set-up request and return processes, for events as managed by our advertising agency.
- ❖ Reviewed and updated all procurement documents in partnership with external and internal legal counsel, LVGBD consultant.

MARKETING

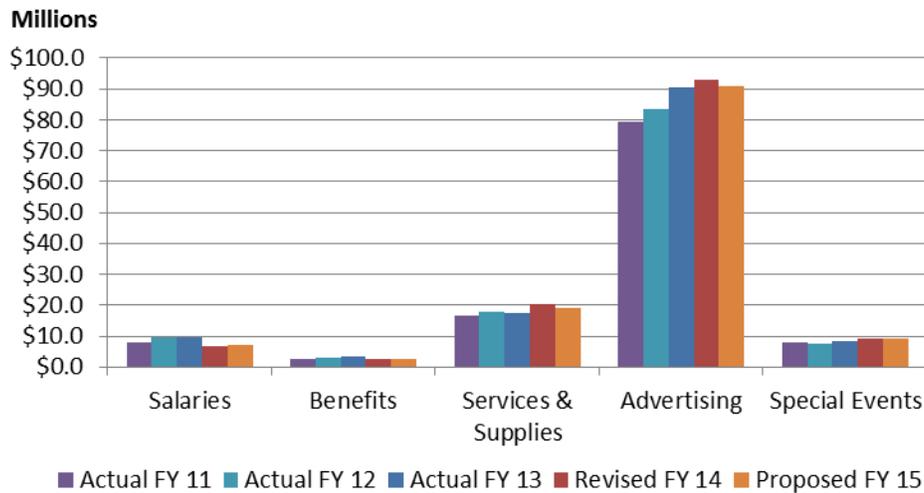
The Marketing division is responsible for increasing leisure travel visitors and convention and meetings attendance. The main functions of this division are Brand Strategy, International Sales, Global Business Sales, and Industry Relations. This division also houses Special Events, however it is not shown on the organization chart below as there are no assigned personnel.



**MARKETING
FY 2015 EXPENDITURES**



**COMPARISON OF ACTUAL TO BUDGET
FY 11 - FY 12 - FY 13 - FY 14 - FY15**



Special Events for FY 2011 through FY 2013 are shown for historical purposes, but during those years were not budgeted under the Marketing division.

BUDGET ANALYSIS

Services and supplies expenditures are being budgeted with a 2% decrease as compared to FY 2014 revised budget. The largest decrease is in Industry Relations, which last year included funding for the hosting of a non-recurring event, World Routes Development Forum. Salaries and benefits funding increased 7% due to employee incentives and an increase for health care premiums. Advertising is down 2% as compared to revised FY 2014 budget.

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-------------------------|-------------------------|-------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---------------------|
| 8,020,600 | 9,507,671 | 9,556,749 | Salaries & Wages | 6,726,300 | 7,199,500 | 7.0% |
| 2,696,683 | 3,114,427 | 3,361,046 | Employee Benefits | 2,569,300 | 2,699,900 | 5.1% |
| 16,741,307 | 17,667,900 | 17,384,054 | Services & Supplies | 20,206,400 | 18,880,600 | (6.6%) |
| 79,504,487 | 83,636,231 | 90,587,216 | Advertising | 93,042,300 | 91,000,000 | (2.2%) |
| 8,058,471 | 7,713,777 | 8,233,771 | Special Events | 9,017,576 | 9,030,000 | 0.1% |
| 115,021,548 | 121,640,006 | 129,122,836 | | 131,561,876 | 128,810,000 | (2.1%) |
| - | - | - | Capital Outlay | - | - | 0.0% |
| 125 | 125 | 125 | Full-time Personnel | 83 | 83 | 0.0% |

Special Events for FY 2011 through FY 2013 are shown for historical purposes, but during those years were not part of the Marketing division.

No new positions have been requested for fiscal year 2015.

No capital item requests (i.e. furniture and equipment over \$3,000) have been made this fiscal year. Those requests would have been accounted for in the capital improvement and replacement fund (see page 83). Computer-related items (i.e. computers, printers, software, and scanners) are accounted for in Information Technology’s budget (Global Business District Division). These requests total \$0.

The Marketing Division encompasses multiple departments responsible for increasing leisure travel visitors and convention and meetings attendance. These departments are as follows:

- ❖ Brand Strategy
- ❖ International Sales
- ❖ Global Business Sales
- ❖ Industry Relations

The Marketing Division has developed the following goals:

- ❖ Market the destination by utilizing advertising, sales and special events, supported by research, internet programs and marketing/convention services, toward the goal of attracting visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel.
- ❖ Continue to serve Las Vegas’ traditional market segments while increasing emphasis on target markets, such as Canada and Mexico, and emerging markets, such as China, Russia, India and Brazil, trade show and convention, domestic Hispanic, African American and Asian segments, contemporary lifestyle and the gay and lesbian markets.

MARKETING - INTERNATIONAL SALES

INTERNATIONAL SALES

The LVCVA International Sales Department focuses its efforts on expanding visitation from major, primary and emerging international markets while influencing, educating and supporting travel distribution partners through our 13 offices located on 5 continents.

The Major Markets of Canada, Mexico and the United Kingdom continue to represent the majority of international visitors to Las Vegas, so significant sales, advertising and public relations resources will be deployed in these markets.

Primary Markets such as Korea, Japan, Germany, France, Australia and Ireland represent potential growth opportunities for Las Vegas. While Korea remains the only one of these countries with year-round direct scheduled air service, increased lift through international legacy carriers such as British Airways provides potential visitors with convenient one-stop service from almost anywhere in the world. Expanded sales programming and the development of seasonal direct service from France, Germany and the Netherlands should result in additional visitors from these markets.

Emerging markets such as Brazil, China, Russia, and India will remain a focus of our long term international sales efforts. The introduction of one-stop service from Brazil and reductions in the time necessary to obtain travel documents from China and Brazil combine with growing economies in Asia and South America to make these markets significant for potential future growth.

Focusing our efforts on integrated sales programming, brand development, public relations and advertising initiatives should result in the growth of international visitation.

Goals

- ❖ Align and integrate international sales and public relations strategies and programs with Airline Development, Digital Marketing, and Advertising initiatives to expand global media exposure and increase visitation.
- ❖ Enhance programming with Global Business Sales to expand global meetings, events, and trade show marketing penetration in targeted international markets.
- ❖ Increase international travel trade and media familiarization visits to increase firsthand knowledge of Las Vegas.
- ❖ Expand international public relations initiatives in targeted markets based on origin of non-stop and key one-stop airline service.
- ❖ Enhance relationships with resort stakeholders, media, airlines and receptive operators to increase participation and maximize the value of international sales and public relations initiatives.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|------------------------------------------------|-----------------|---------------|---------------|
| Sales Familiarization tours / fam participants | 73 / 1,100 | 70 / 930 | 70 / 1,000 |
| Group / Individual Familiarization tours | 30 / 111 | 25 / 115 | 30 / 120 |
| Trade Show Attendance | 108 | 90 | 100 |
| Total sales calls | 2,449 | 2,400 | 2,500 |
| International Media Placements | 4,041 | 4,000 | 4,100 |
| Media Impressions - <i>in billions</i> | 15.8 | 16 | 17.5 |
| Earned Media Value (\$) - <i>in millions</i> | 315 | 320 | 350 |

MARKETING - INTERNATIONAL SALES

Prior Year Achievements

- ❖ International sales and public relations programs and initiatives developed by international representative offices and LVCVA staff provided Las Vegas resort partners with an unprecedented number of opportunities and platforms to promote their products.
- ❖ Successfully executed integrated sales and public relations programming in Mexico, France, Germany, United Kingdom, Brazil and Colombia.
- ❖ Hosted more than 750 journalists from 66 countries, supporting the philosophy that spending time in Las Vegas is the most effective method of growing affinity for the destination.
- ❖ Refined efforts in markets with direct international air service – Canada, Mexico, United Kingdom, Panama, France, Germany and South Korea, and increased exposure in key feeder cities in the British Airways, Korean Airlines and Copa Airlines networks.
- ❖ Integrated resources and programming to increase efficiencies, engage stakeholders and proactively address opportunities such as currency fluctuations, airline capacity changes and travel/visa policies.

LEISURE SALES

The Leisure team's main objective is to develop creative and targeted programs designed to motivate domestic and international purchase of travel packages to Las Vegas through wholesalers, consortiums, airlines, tour operators, online and retail travel agencies. Additionally, the leisure sales staff continues to develop educational programs targeted to sellers of domestic and international travel for the purpose of keeping them informed on the ever-changing destination's amenities and keeping Las Vegas top of mind for sales opportunities.

Goals

- ❖ Plan and deploy 8 distinctive LVCVA produced VIP customer development events, providing resort partners with proprietary platforms and unique access to top producing customers.
- ❖ Deploy resort partner sales support programs for consortia, wholesaler business development managers, call centers, receptive operators and top producing travel agencies in key feeder markets.
- ❖ Develop and deploy sales programs promoting the benefits of booking commissionable travel packages via OTA channels.
- ❖ Support new and expanded airline service to Las Vegas by identifying opportunities and developing sales programming with wholesalers, consortia and Las Vegas resort partners.
- ❖ Create standardized reservation center training/rewards incentive program.
- ❖ Plan and implement a minimum of five familiarization tours around new Laughlin Event Center and Mesquite town wide events. (Extended Destinations)
- ❖ Develop and execute a sales and marketing plan in support of new potential scheduled air service to Laughlin/Bullhead City Airport (IFP). (Extended Destinations)
- ❖ Support advertising initiatives with a new marketing plan to maximize exposure for group planner business. (Extended Destinations)
- ❖ Develop a sales plan to increase military group business by attending three new reunion planner conferences and executing a fam trip for military reunion planners. (Extended Destinations)
- ❖ Partner with LVCVA sales executives to create pre- and post-fams to coincide with FY 2015 conventions or conferences in Las Vegas. (Extended Destinations)

MARKETING - INTERNATIONAL SALES

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-------------------------------------------------------------|-----------------|---------------|---------------|
| <u>Leisure Sales</u> | | | |
| Leads | 179 | 190 | 170 |
| Sales Calls | 82 | 85 | 85 |
| LVCVA / Customer Development Leisure Events Produced | 66 | 86 | 80 |
| Travel industry conventions hosted | 13 | 7 | 5 |
| Travel Agent Booking Incentives | 73 | 67 | 45 |
| <u>Leisure Sales (Extended Destinations)</u> | | | |
| Leads | 88 | 85 | 80 |
| Out of Market Sales Calls | 71 | 75 | 80 |
| Industry meetings, events and consumer trade shows attended | 79 | 70 | 70 |
| Familiarization tours | 27 | 22 | 25 |
| LVCVA produced client development events | 19 | 24 | 25 |

Prior Year Achievements

- ❖ Developed and executed sales missions in the key origination markets of Chicago, Dallas, Houston, Milwaukee, Philadelphia and Boston. More than 750 travel facilitators, wholesale business development managers and agents participated in the programs.
- ❖ Introduced Cash In On Vegas rewards platform targeting over 50,000 U.S. and Canadian travel agents and providing Las Vegas resort partners with qualified sales leads.
- ❖ Developed quarterly reporting for resort partners utilizing proprietary reports which identify top producers from key origination markets.
- ❖ Obtained market intelligence from U.S. and Canadian travel buyers in order to update knowledge regarding booking patterns and preferences. More than 4,000 travel buyers participated and provided feedback.
- ❖ Organized and facilitated monthly educational webinars to more than 1,500 top producing travel buyers.
- ❖ Secured Heritage Clubs International Peer Group Conference for Laughlin with 40 Bank Club Loyalty Directors and nine major tour operator Partners in attendance, including a pre-conference fam tour for 29 Bank Directors. (Extended Destinations)
- ❖ Organized and hosted top national industry associations and regional tour operators during the inaugural Motor Coach Appreciation Week in Laughlin. (Extended Destinations)
- ❖ Planned and executed three sales missions in support of existing air charter programs in Texas, Colorado, and Minnesota, reaching 200 travel professionals. (Extended Destinations)
- ❖ Developed a golf sales plan in conjunction with Mesquite Golf including five destination presentations for 60 golf pros and association organizers of golf business in Utah and Colorado. (Extended Destinations)
- ❖ Created 28 opportunities for hotel partners to network with 620 travel professionals, meeting planners, bank directors, and military reunion planners through sales missions and industry trade shows, as well as 81,000 consumers at travel shows. (Extended Destinations)

GLOBAL BUSINESS SALES

The Global Business Sales department plays an integral role in securing new business and maintaining existing business visitors for the destination. These teams are strategic as well as targeted in disciplines of convention sales, trade show sales, medical and wellness tourism, and cultural/diversity sales. Medical and wellness tourism is a rapidly growing practice in which individuals travel to another state or country to obtain a medical procedure or a wellness treatment. The LVCVA recognizes medical and wellness tourism as a niche market and dedicates sales and marketing activities to promote Las Vegas as a medical meetings and medical and wellness tourism destination. Cultural tourism is a rapidly expanding market due to interest in “learning” vacations, and represents an opportunity to increase Las Vegas visitor arrivals by highlighting the area’s history, arts community and outdoor adventure. These teams continue to position the Las Vegas brand to remain “top of mind” with industry professionals and competitive within the international and domestic meetings and trade show industries. These distinct yet equally important disciplines support the LVCVA’s mission to promote Las Vegas as the leading destination for business and leisure travel.

Global Business Sales teams are directly aligned to provide constant contact to Cashman Center and the Las Vegas Convention Center and other Las Vegas meeting and convention facilities. This is done by creating an environment of trust, care and communication during all aspects of the trade show, meeting, and convention sales cycle.

Sales teams produce leads and service accounts for the Las Vegas hotel/resort community as well as solicit meetings and events in the following markets: corporate, association, third party/association management, and SMERF (social, military, education, religious and fraternal). They book business for both Cashman Center and the Las Vegas Convention Center and provide leads to local venues through a strategic account management approach delivered to our resort partners in real-time using the latest digital communications platform.

Sales markets are segmented by geographic regions throughout the United States between the Las Vegas, Washington, DC and Chicago regional offices. The team is deployed territorially by regions and by the noted vertical markets. Vertical markets have been identified that provide consistent and growing production for Las Vegas including: medical, healthcare, technology, pharmaceutical, incentive/reward, insurance, financial, automotive, and union. Emphasis is also devoted to top producing third party/association management companies that represent end-user organizations. The key focus during FY 2015 will be the expansion of business sales activities into International markets, finding new business, and client retention. Growing building occupancy for the Las Vegas Convention Center and Cashman Center will continue to be a focus as well as looking for new business for local convention facility stakeholders.

Business is secured through targeted sales programs and initiatives directly to our customer base and to our hotel partners. The sales team’s goals cover a wide variety of efforts to ensure the highest and most productive results, providing unmatched customer service to our end user clients and our hotel partners.

Goals

- ❖ Provide convention and meeting support in destination knowledge, site tours, signature client engagement events, and key market knowledge.
- ❖ Represent Las Vegas at industry events, develop and produce events including client development functions, tradeshows, and local hotel and community presentations.
- ❖ Showcase the destination by arranging site tours to Las Vegas and maximizing our presence at industry events that are being hosted in Las Vegas.
- ❖ Develop new business and showcase the destination through in-market client events and key market programs.
- ❖ Strengthen relations with our hotel partners to support exceptional customer service and destination knowledge.
- ❖ Grow occupancy at the Las Vegas Convention Center and Cashman Center.

MARKETING – GLOBAL BUSINESS SALES

- ❖ Develop and implement new attendance promotion programs to larger clients as well as new Las Vegas shows.
- ❖ Implement new and creative client development events “in-market” providing a unique opportunity for us and our stakeholders to develop and maintain client relationships while providing our clients the opportunity to “live the brand” in their own backyard.
- ❖ Implement new international business sales activities for Brazil, Canada, China, Germany, Mexico, United Kingdom.
- ❖ Execute the strategic plan to address medical and wellness tourism development, including implementation of tactics supporting five core goals: value proposition development; research; medical meetings and conventions; leisure travel for wellness services; and international medical and wellness travel.
- ❖ Build a database of 150 untapped LGBT and Cultural association and corporate accounts. Create a promotion to demonstrate the value of meeting in Las Vegas.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|----------------------------------|-----------------|---------------|---------------|
| Global Business Sales | | | |
| LVCVA networking events produced | 113 | 117 | 120 |
| Industry events attended | 323 | 336 | 349 |
| Leads/bookings generated | 2,940 / 2,985 | 2,705 / 3,000 | 3,000 / 3,025 |
| Industry trade shows exhibited | 42 | 50 | 53 |

Prior Year Achievements

- ❖ Hosted the following industry and/or client events in Las Vegas showcasing the destination to over 15,000 meeting planners:
 - Meeting Professionals International World Educational Congress (MPI-WEC), Corporate Event Marketing Association (CEMA), Meeting Professionals International Southern California Chapter Education Summit (MPI SCC), IMEX America, World Food Championships, Las Vegas Rock ‘n’ Roll Marathon, Experient Envision, ConferenceDirect Annual Partner Meeting, Meetings Focus Live, IncentiveTravel Exchange, and the Las Vegas Corporate Invitational.
- ❖ Hosted the 2014 Society of Independent Show Organizers (SISO) CEO Summit in Las Vegas showcasing the destination to over 150 trade show industry CEO’s and presidents.
- ❖ Created and executed several new “in-market” client development events in Washington, D.C., New York City, Atlanta, and Dallas. These events allowed for hotel stakeholder participation as well as client networking opportunities.
- ❖ Partnered with Las Vegas Pride to increase attendance from out-of-town visitors by implementing online booking capability with Orbitz.com, increasing non-local email database by 8,500 to drive out-of-town visitation for Las Vegas Pride and distributing 10,000+ Las Vegas LGBT guides in six major gay pride festivals (Phoenix, Long Beach, San Diego, Orlando, Provincetown, and Palm Springs).
- ❖ Enhanced the relationship with the Travel Institute, Travelsavers and Well-Being Travel resulting in a new booking, “The Well-Being Travel Symposium”, for 100 travel agents who have completed the new Well-Being Travel specialist course, by the Travel Institute and co-sponsored by the LVCVA.

MARKETING – INDUSTRY RELATIONS

INDUSTRY RELATIONS

Industry Relations works closely with the leadership at the Las Vegas Convention and Visitors Authority (LVCVA) and key stake holder organizations to develop relationships and lines of communication with relevant audiences to create and implement initiatives that effectively achieve the LVCVA’s goals.

Industry Relations supports projects and programs identified by the LVCVA President/CEO in support of the overall goals of the Authority. Industry Relations coordinates with resort stakeholders and community business partners in addressing issues that affect the destination from a travel tourism perspective including air development, multi-modal transportation challenges and industry events that are hosted by the LVCVA.

Goals

- ❖ Expand efforts of the LVCVA President/CEO to increase awareness at the local, state and federal levels on the benefits of tourism and its economic impact through participation in industry organizations.
- ❖ Partner with U.S. Travel Association in the planning and implementation of the second annual Connecting America through Travel Conference.
- ❖ Increase direct air service both domestically and internationally working in conjunction with McCarran International Airport.
- ❖ Showcase the destination to leaders in the aviation industry by hosting the Boyd Aviation Forecast Summit.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|------------------------------------------------------------------|-----------------|---------------|---------------|
| Annual Las Vegas Visitor Volume - <i>in millions</i> | 39.7 | 39.9 | 40.2 |
| Annual In-bound Nonstop Seats Domestic - <i>in millions</i> | 22.8 | 23.2 | 23.2 |
| Annual In-bound Nonstop Seats International - <i>in millions</i> | 1.7 | 1.8 | 1.8 |

Prior Year Achievements

- ❖ Increased total Las Vegas seat capacity by 1.8% in CY13 while the total for all U.S. airports was up 0.7%. The estimated annualized non-gaming economic impact for air service started in 2013 was \$406 million.
- ❖ Launched new service in twelve (12) markets including new nonstop service to Anchorage, Alaska, Las Vegas’ largest unserved domestic market.
- ❖ Continued success in the building of international air traffic which yielded strong results. New nonstop capacity in the long-haul international markets increased with Asia up 18%, Latin America up 64% and Europe up 4%.
- ❖ Hosted World Route Development Forum with over 264 airlines in attendance. This event has already resulted in new air service announcements including an increase in service from WestJet to multiple Canadian cities.
- ❖ Partnered with U.S. Travel Association in hosting the first Connecting America through Travel Conference that connected destination marketing organizations and travel and tourism corporations focusing on the importance of improving the domestic infrastructure in America.
- ❖ Oversaw a volunteer advisory group of resort tourism industry, local business and civic leaders that comprises the Transportation Steering Committee. This group is focused on enhancing Las Vegas’ overall competitiveness as a destination by engaging the broader Las Vegas community in support of initiatives and plans to allow our travelers and resort employees to move smoothly around the destination.

MARKETING - BRAND STRATEGY

BRAND STRATEGY

Brand Strategy is responsible for generating positive news coverage of Las Vegas and our extended destinations of Laughlin, Mesquite, Primm and Boulder City domestically and internationally. The Brand Strategy team will work closely with their colleagues in Advertising, Digital Marketing, Sports Marketing, Strategic Research & Analytics, as well as sales teams to maximize our efforts to increase visitation to Clark County.

Goals

- ❖ Sustain and grow the LasVegas.com website through direct response advertising and recently launched mobile booking capabilities.
- ❖ Promote the newly launched mobile app while simultaneously developing the destination's second app.
- ❖ Increase advertising and PR presence in Canada, Mexico, UK, Brazil and Australia.
- ❖ Capitalize on newsworthy opportunities and incorporate integrations to promote the destination in a non-traditional manner.
- ❖ Enhance communication programs with resort partners to provide a holistic, strategic approach across all mediums including social media, PR and traditional advertising as it relates to both domestic and international initiatives.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|----------------|-----------------|---------------|---------------|
| In development | n/a | n/a | n/a |

Prior Year Achievements

- ❖ Created and launched new Business to Business (B2B) and Business to Consumer (B2C) advertising campaigns.
- ❖ Launched “Vegas Season” (summer campaign) to drive visitation during slower months.
- ❖ Conducted Brand Planning research in Laughlin and Mesquite which resulted in new advertising campaigns for both destinations.
- ❖ Developed new LGBT campaign. Las Vegas was the first destination to run LGBT focused television on a national level.
- ❖ Promoted the destination in major international markets and added new countries through co-op programs.

MARKETING - BRAND STRATEGY

DIGITAL MARKETING

The Digital Marketing department oversees marketing databases and systems in support of sales and marketing efforts, ensuring destination content is compiled and posted across all digital media including internet, social media, and mobile platforms.

The Digital Marketing department's objectives include devising processes and procedures to ensure relevant and timely web content, responding to web site-related inquiries, reviewing the performance of the web sites, monitoring and engaging in social media channels, managing the Authority's email marketing programs and optimizing results of email campaigns through tracking reports and analysis. In addition, the department acts as a liaison with the LVCVA's advertising agency to incorporate appropriate content into branding and promotional campaigns on the LVCVA's destination marketing web sites: VisitLasVegas.com, LVCVA.com, VegasMeansBusiness.com, VisitLaughlin.com, VisitMesquite.com, VisitPrimm.com, VisitBoulderCity.com and StayandPlayHere.com. Additionally, Digital Marketing is responsible for communicating and attracting new followers via social media channels.

Goals

- ❖ Implement new email testing programs to increase delivery rate of email and improve presentation of email on multiple devices.
- ❖ Replace computer-translated content on LasVegas.com with more accurate and culturally relevant manual translation for Japanese, Korean and Chinese languages.
- ❖ Provide increased level of support and solutions for digital functionality and processes across all departments.
- ❖ Focus on providing enhanced functionality for business to business online initiatives.
- ❖ Increase social media followers/fans by 10%.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|---------------------------------------------------------|-----------------|---------------|---------------|
| Web site unique visits— <i>in millions</i> | 12.7 | 15.3 | 16.8 |
| Web site page views— <i>in millions</i> | 56.4 | 71.1 | 78.2 |
| Web site units sold | 202,811 | 350,000 | 391,000 |
| Social Media followers (Facebook & Twitter)-in millions | 1.1 | 1.2 | 1.3 |

Prior Year Achievements

- ❖ Launched a new web presence in Brazil in support of broader international marketing strategies.
- ❖ Launched new LasVegas.com mobile site with added ecommerce functionality and enhanced navigation.
- ❖ Expanded social sharing opportunities via new channels including Pinterest, Vine, Google+ and Instagram.
- ❖ Replaced computer-translated content on LasVegas.com with more accurate and culturally relevant manual translation for French, French Canadian, Spanish, German and Portuguese languages.

MARKETING - BRAND STRATEGY

STRATEGIC RESEARCH & ANALYTICS

The Strategic Research & Analytics department oversees a broad range of functions that while diverse in scope, all focus on understanding and utilizing information to develop and support the LVCVA's overall marketing strategy. The department's wide range of research projects and programs track the dynamics of Las Vegas and Southern Nevada, as well as nationwide competitive gaming and tourism industries. Among the research programs administered by the department are monthly executive summaries of tourism and convention indicators, annual visitor profile studies that track visitor demographics and behaviors, semi-annual marketing bulletins, and a variety of programs to monitor local, national and global travel trends.

Goals

- ❖ Conduct study of evolving media habits among target market segments.
- ❖ Utilize the Visitor Profile Study research to develop generational breakouts to guide marketing strategy and messaging.
- ❖ Devise and distribute summaries to illustrate evolving booking channels used by Las Vegas visitors.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-----------------------------------------------|-----------------|---------------|---------------|
| Statistical reports and publications produced | 31 | 31 | 32 |
| Publications distributed | 24,261 | 23,900 | 24,150 |

Prior Year Achievements

- ❖ Expanded data points on the monthly LVCVA Executive Summary to include Strip and Downtown Occupancy and ADR as well as RevPAR figures for Las Vegas, Laughlin and Mesquite.
- ❖ Facilitated focus groups to gather feedback from employees to guide strategic planning of the Las Vegas Global Business District.
- ❖ Completed brand planning research to steer brand positioning and campaigns for Laughlin and Mesquite.

MARKETING - BRAND STRATEGY

SPORTS MARKETING

Las Vegas has become one of the most recognizable brands in the U.S. and arguably the most desirable destination in the world. Las Vegas has played host to events crossing all segments of the sports and entertainment landscape, including NASCAR and NHRA racing, the National Finals Rodeo and the NBA All-Star Game. The city is now positioned to attract some of the world's most exciting events. In addition, major artists representing stage, screen and music continue to make Las Vegas a must stop on their annual tours.

The outlying areas of Mesquite, Primm and Laughlin also continue to host events such as Laughlin Pirates of the Colorado River Regatta, Primm 300 Off-Road Race, and the Mesquite Long Drive competition. These events continue to draw first time visitors to these locations.

Working with Las Vegas Events (LVE), the LVCVA's positioning of Las Vegas as the event and entertainment capital of the world, continues to enhance the brand and drive occupancies during traditionally slower periods of the year.

Goals

- ❖ Work closely with Las Vegas Motor Speedway to secure second NASCAR race.
- ❖ Work closely with National Basketball Association to expand summer league programming.
- ❖ Identify national and international organizations that can be tapped as sources of new event business for Clark County.
- ❖ Work closely with industry partners to identify and place incremental business into the new event facilities being developed.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|---------------------------|-----------------|---------------|---------------|
| Event leads/bookings | 20 / 151 | 25 / 100 | 25 / 100 |
| Hospitality programs held | 25 | 30 | 30 |
| Number of TV/radio events | 35 | 40 | 40 |

Prior Year Achievements

- ❖ Worked closely with Las Vegas Motor Speedway to book the Red Bull Air Races.
- ❖ In conjunction with two area golf associations, booked two amateur golf tournaments - The Deuce is Wild Open and the Las Vegas World Amateur.
- ❖ In conjunction with MGM, booked the Global Rally Cross Racing finals, the first major event to utilize the MGM event park.
- ❖ Increased the number of LVCVA sponsored event hospitality programs by 10%.
- ❖ Successfully booked the USA Sevens Major League Soccer Festival.

MARKETING - BRAND STRATEGY

SPECIAL EVENTS

For FY 2015, \$7.5 million in funding will be provided to Las Vegas Events (LVE). The \$1.5 million in supplemental special events funding will support our strategic objectives to increase travel to the destination.

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-----------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 892,971 | 864,782 | 1,049,953 | Salaries & Benefits - LVE | 1,087,992 | 1,144,871 | 5.2% |
| 5,744,374 | 5,393,344 | 5,768,352 | Special Events - LVE | 6,398,584 | 6,355,129 | (0.7%) |
| 1,421,126 | 1,455,651 | 1,415,466 | Special Events - LVCVA | 1,531,000 | 1,530,000 | (0.1%) |
| 8,058,471 | 7,713,777 | 8,233,771 | | 9,017,576 | 9,030,000 | 0.1% |

Throughout the years, the LVCVA has sponsored and promoted special events through grants and sponsorships. The LVCVA has been instrumental in bringing many inaugural events and securing repeat performances to Las Vegas and Clark County.

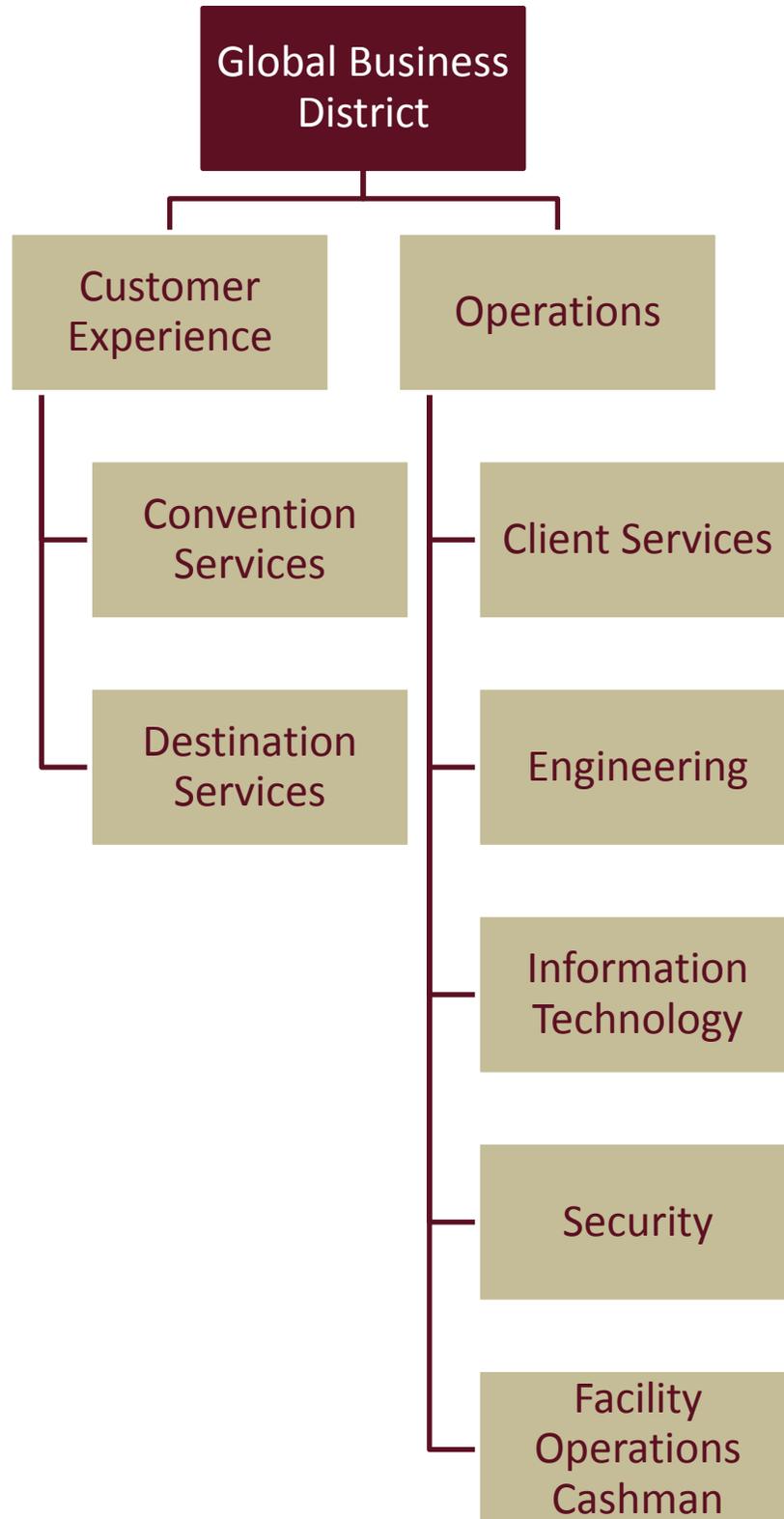
Room taxes and use of facilities revenues provide funding for various programs. Guidelines have been developed with items such as media exposure, visitor volume, and incremental room nights generated being more heavily reviewed. Also, special events that promote the brand of Las Vegas as well as targeting key visitor demographics are critical when determining event levels of funding.

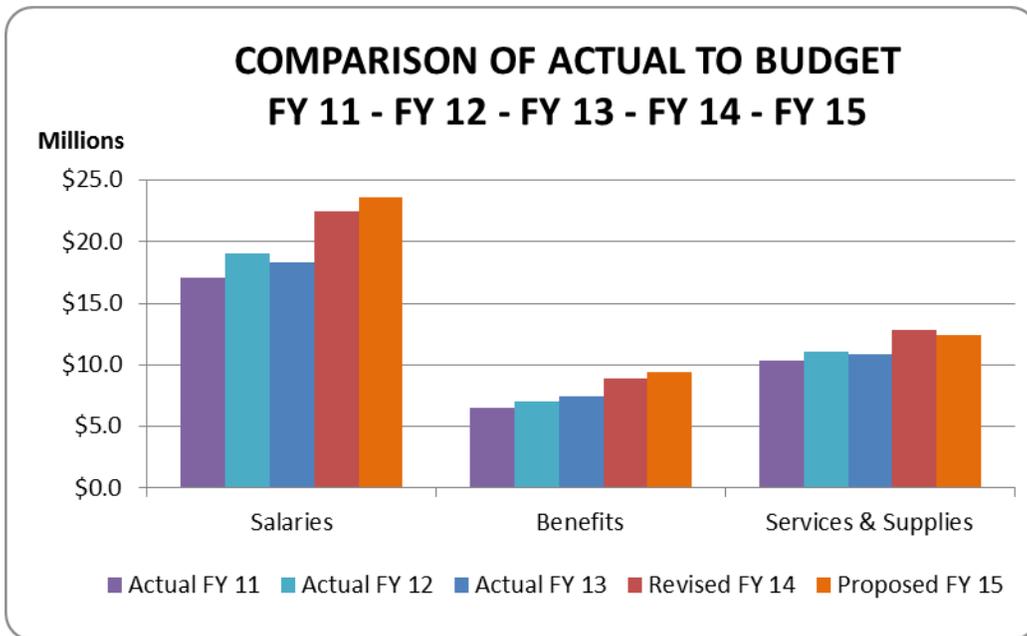
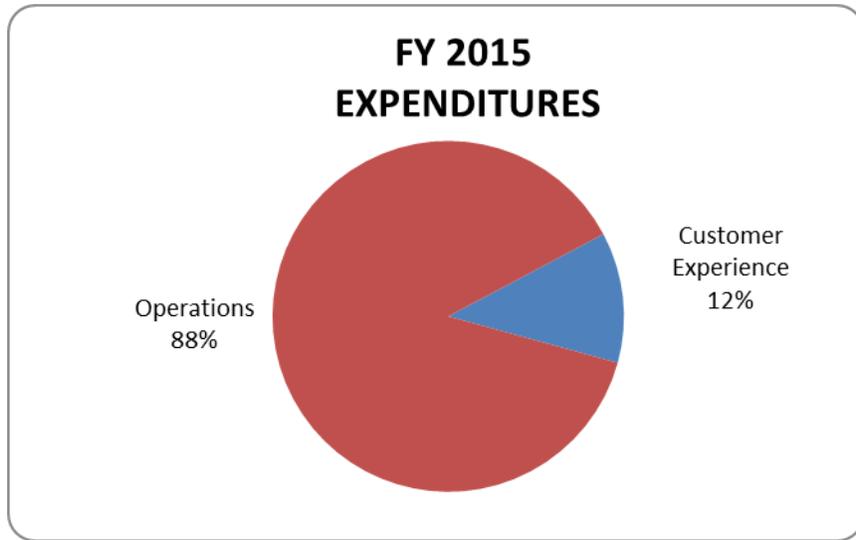
In 1983, the LVCVA began partnering with Las Vegas Events Inc. (LVE) to promote and encourage special events that will in turn stimulate tourism, and provide media exposure for Southern Nevada. Events sponsored range from rodeo (i.e. National Finals Rodeo) to golf (i.e. Mesquite Long Drive Championship) and from auto races (i.e. NASCAR, Primm 300 Off Road Race, NHRA Drag Races) to music events (i.e. Electric Daisy Carnival and the Laughlin Town Concert) as well as award shows (i.e. Academy of Country Music Awards) and other sporting events (i.e. USA Sevens Rugby Tournament).



GLOBAL BUSINESS DISTRICT

The Global Business District division will support housing our convention and meetings visitors through our Operations and Customer Experience teams. The Operations section has the overall responsibility for the operation, maintenance, and safety of the Las Vegas Convention Center and Cashman Center. The Customer Experience section is responsible for the attendees experience while visiting the facility.





BUDGET ANALYSIS

The Global Business District budget reflects a 2% increase in FY 2015 as compared to the FY 2014 revised budget, mainly due to increases in salaries and benefits. Of the services and supplies budget, approximately \$7.5 million is devoted to utilities (61%), and \$1.5 (12%) million is for repair and maintenance.

Five new positions for perimeter security have been requested for FY 2015. Please see the Personnel section beginning on page 129 for additional information.

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-------------------------|-------------------------|-------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---------------------|
| 17,142,218 | 19,039,567 | 18,350,875 | Salaries & Wages | 22,484,500 | 23,587,400 | 4.9% |
| 6,497,029 | 7,050,453 | 7,419,246 | Employee Benefits | 8,932,300 | 9,394,900 | 5.2% |
| 10,369,524 | 11,041,858 | 10,920,781 | Services & Supplies | 12,895,600 | 12,384,500 | (4.0%) |
| 34,008,771 | 37,131,878 | 36,690,902 | | 44,312,400 | 45,366,800 | 2.4% |
| 709,527 | 1,123,950 | 1,749,314 | Capital Outlay | 1,155,340 | 443,400 | (61.6%) |
| 303 | 303 | 303 | Full-time Personnel | 347 | 352 | 1.4% |

Capital item requests (i.e. furniture and equipment over \$3,000) for \$443,400 have been made this fiscal year. Those requests are accounted for in the capital improvement and replacement fund (see page 83). All computer-related budget requests (i.e. computers, printers, software, scanners, and network servers) are accounted for in Information Technology’s capital budget. Global Business District requests total \$230,000; other divisions’ requests total \$29,600.

GLOBAL BUSINESS DISTRICT

The Global Business District division will support housing our convention and meetings visitors through our Operations and Customer Experience teams. The Operations section has the overall responsibility for the operation, maintenance, and safety of the Las Vegas Convention Center and Cashman Center. The Customer Experience section is responsible for the attendees experience while visiting the facility.

To fulfill the LVCVA mission, the following goals have been created:

- ❖ Continue with preparations, planning, and due diligence phases for the Las Vegas Global Business District.
- ❖ Evolve and cultivate new business practices and partnership models with building exclusive partners specific to food services, technology, and business services.
- ❖ Create an outreach program with other local governmental jurisdiction licensing divisions and permitting departments who service the Southern Nevada tradeshow and convention industry to better service the exhibitor and tradeshow organizers with an improved streamlined process.
- ❖ Introduce initiatives to foster employee development, partner education, and stakeholder outreach to ensure a consistent understanding and delivery of the LVCVA brand promise.
- ❖ Utilize customer surveys and direct feedback to measure the Division's overall success ratings and service deliverables.
- ❖ Launch the planning and design process for the Las Vegas Global Business District (LVGBD) program, encompassing: 1)The Convention Center district and facility renovation, 2)A World Trade Center (WTC) facility, and 3)A centralized transportation hub.
- ❖ Fully develop the LVCVA's commitment to sustainability, including the continuation of green operating procedures, increased energy measurement and efficiencies, and staff education in sustainable practices.
- ❖ Develop and execute facility improvement, upgrades and renovation programs to maintain the competitive features and offerings of the Las Vegas Convention Center and Cashman Center.
- ❖ Develop incremental programming to improve supervisor and management training, employee development, and staff accountability.

GLOBAL BUSINESS DISTRICT – CUSTOMER EXPERIENCE

CUSTOMER EXPERIENCE

The Customer Experience section includes the Customer Experience department and the Convention Services and Destination Services departments.

The Customer Experience Department spearheads the LVCVA’s efforts to address the specific needs of our attendee and exhibitor customer base.

Globally, Customer Experience is responsible for developing programs that deliver the LVCVA’s brand promise at both the Las Vegas Convention Center and Cashman Center. The brand promise is delivered to our attendees, exhibitors and show managers when they arrive on site for their event. Examples of brand promise delivery are clean facilities, reasonably priced food and beverage options, availability of appropriate business services, availability of up-to-date technology, ease of transportation to and from the facility, and helpful employees and stakeholders in the facility. Key functions include being a liaison among various departments in the Global Business District and Global Brand Marketing divisions and to establish campus wide programs and initiatives that will improve our customers’ experience. In particular, direct responsibilities include delivery of our facility partners’ (i.e. ARAMARK, Smart City Networks, and FedEx Office) operational performance and quality of services. Additionally, the department reviews services delivered by our facility stakeholders such as general service contractors, exhibitor approved contractors, taxi and transportation companies, etc.

Goals

- ❖ Improve results of the Customer Experience Survey for internal business partners by 2% - 4% based on year-to-year comparisons, while maintaining an Overall Experience rating of not less than 4.5.
- ❖ Assist in introducing specific programs, initiatives and physical enhancements that result in an improved customer experience for all guests of the LVCC and Cashman Center.
- ❖ Continue the commitment to the World Trade Center Las Vegas partnership with the Consumer Electronics Association (CEA), establish relationships with other WTC’s and represent the LVCVA as a spokesperson for visiting government and tourism officials.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|----------------------------------------------------------------------------|-----------------|---------------|---------------|
| Customer Experience Survey results (overall satisfaction ratings from 1-5) | 4.4 | 4.5 | 4.6 |
| Community / Industry / Partner outreach presentations | 28 | 30 | 30 |
| Building Partner Goals to support LVCVA Customer Experience | 10 | 10 | 12 |

Prior Year Achievements

- ❖ Improved the food services offered by support and assistance with the Lucky’s “refresh” and the introduction of Vegas Express, a new, “grab ‘n go” concept in the Grand Lobby.
- ❖ Coordinated the orderly transition and introduction of Cox Business as the new telecommunications provider for the LVCVA.
- ❖ Successfully oversaw the completion of two sustainability projects that were funded by CEA’s grant; solar lighting for the “Welcome to Las Vegas” sign and the installation of four electric vehicle recharging stations at the LVCC.
- ❖ Promoted the destination by providing presentations and tours to numerous international groups, government and tourism officials, and student groups.

GLOBAL BUSINESS DISTRICT – CUSTOMER EXPERIENCE

CONVENTION SERVICES

The Convention Services team, formerly in the Global Brand Marketing division, at the Las Vegas Convention Center and the Cashman Center continues to provide the industry’s bench mark for service standards. Superior customer care leads to years of repeat business. Committed convention service managers quickly adapt to all challenges that the world’s leading convention center presents while relishing the fact that our clients are extremely satisfied at the end of their event.

Goals

- ❖ Conduct an annual client event (by region) with our largest show management groups by visiting their offices in order to provide current building, city, county and state regulations while fostering relationships.
- ❖ Successfully complete staff certifications focusing on Project Management, Fire Inspector I, and other industry related certifications.
- ❖ Restructure Convention Services and the Leasing Department to better manage the existing workloads in preparation of the upcoming Global Business District project.
- ❖ Implementation of DocuSign, a new software program which allows the Leasing Department to send out all leases electronically; also allowing our clients to sign electronically as well.
- ❖ Develop relationships with peer groups and industry organizations which will allow for the sharing of “Current Best Methods” and dealing with industry wide issues.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-------------------------------------------------------|-----------------|---------------|---------------|
| New leases generated (LVCC/Cashman) | 102 / 132 | 100 / 135 | 110 / 145 |
| Revised Leased processed (LVCC/Cashman) | 230 / 67 | 225 / 75 | 235 / 85 |
| Internal Bookings Processed (LVCC/Cashman) | 480 / 185 | 500 / 205 | 510 / 215 |
| VIP Bookings Processed (LVCC/Cashman) | 3 / 1 | 15 / 3 | 17 / 5 |
| Conventions/Events/Tradeshows Serviced (LVCC/Cashman) | 64 / 189 | 61 / 189 | 65 / 200 |

Prior Year Achievements

- ❖ Transitioned Cox Business as our new telecommunications building partner.
- ❖ Worked with ITD to upgrade the invoicing process. Enhancement includes upgrades to the Masterbook software and the invoicing program enabling the interface between programs.
- ❖ Developed cross-training opportunities for staff which brought about better understanding of the operational needs of various general contractors and building service providers.
- ❖ Integrated newly mandated Clark County Health District policy on hot hand washing stations for exhibitors with food sampling.
- ❖ Trained Operations departments on how to process, schedule, and track all building activity. This allows for streamlined communication in regards to the interaction and concurrent space use for leased events, repair and maintenance, capital projects and internal activities.

GLOBAL BUSINESS DISTRICT – CUSTOMER EXPERIENCE

DESTINATION SERVICES

Destination Services, formerly in the Global Brand Marketing division, focuses on the logistics of bringing customers to Las Vegas and Clark County to ensure the Visitors’ experience is pleasant and memorable. Employees in Visitor Information Services (VIS), Registration Services, and outlying Visitor Information Centers (VIC) deliver the Las Vegas brand by providing convention staffing assistance and offering destination information on Clark County and Southern Nevada. Additionally, Destination Services communicates the mission of the LVCVA to primary stakeholders and allied partners.

Goals

- ❖ Identify alternative means to display vendor materials within the VICs with the use of modern technology.
- ❖ Develop and administer a customer feedback survey for the Registration Services department with the goal of gauging the level of service that customers are receiving, as well as measuring their overall satisfaction.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|------------------------------------------------------|-----------------|---------------|---------------|
| <u>Destination Services</u> | | | |
| Total visitor volume (all centers) | 243,797 | 232,549 | 234,875 |
| Visitor center brochures distributions (all centers) | 1,750,920 | 1,758,798 | 1,776,386 |
| Number of Conventions Serviced by Registration | 256 | 245 | 260 |
| Total Registration hours | 81,271 | 97,429 | 87,678 |

Prior Year Achievements

- ❖ Registration Services successfully conducted a re-orientation of 253 Registration Ambassadors.
- ❖ Identified and cross-trained knowledgeable and skilled Registration Ambassadors to work in various VIC locations and at the LVCC concierge desk.
- ❖ The Registration Services uniform was updated to include black blazers.
- ❖ The LVCVA VIS staff conducted 6 staff development and site visits within the destination.
- ❖ Remodeled the LVCVA VICs to enhance overall customer experience.

GLOBAL BUSINESS DISTRICT – OPERATIONS

CLIENT SERVICES

Client Services is responsible for a myriad of daily show and building-related requirements as well as the overall cleanliness of both the Las Vegas Convention Center and Cashman Center. These responsibilities include room set-up, production and sporting event set-up, equipment logistics, response to show manager requirements, restroom cleanliness, and tracking over \$6 million dollars of equipment and supplies.

In order to accomplish these activities, Client Services works closely with other internal departments, building partners, and contractors to ensure our customers' desired outcome is achieved. This teamwork and constant communication allows the department to schedule, plan, and allocate the necessary resources in a timely and efficient manner.

Goals

- ❖ Develop and/or improve upon warehouse operations as it relates to inventory, supply usage, process and equipment maintenance in order to reduce cost and downtime as well as increase efficiency.
- ❖ Further explore departmental communication opportunities and enhance existing methods to ensure frontline staff receives pertinent and useful information for use with customer contact.
- ❖ Identify opportunities for department managers to receive additional leadership training, including educational achievements, by working with multiple associations in which the department has active membership.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|----------------------------------------------|-----------------|---------------|---------------|
| Recycle rate (per calendar year) | 69% | 62% | 66% |
| Scheduled room changes | 533 | 566 | 540 |
| Work orders complete | 1,146 | 1,180 | 1,210 |
| Restroom support (% of labor-hours used) | 35% | 36% | 34% |
| Building maintenance (% of labor hours used) | 28% | 26% | 27% |

Prior Year Achievements

- ❖ Created a departmental on-boarding program pamphlet that includes a more comprehensive and measurable approach in training for new hires and identifies best routes to success within Client Services with hands on assistance from managers.
- ❖ Continued to maintain a very robust recycle program by frequent collaboration with partners and vendors in order to achieve a 69% recycle rate. Recognized by the Environmental Protection Agency (EPA) with a 2013 WasteWise Local Government Partner of the Year Award - Honorable Mention out of 1458 other EPA partners.
- ❖ Created and installed customized directional signage for each restroom door in order to help customers identify their location and be given directions to the next closest restroom during situations where area is being serviced for maintenance.
- ❖ Provided opportunities for various staff in leadership roles to attend training via 3rd party avenues which focus on identifying weaknesses and building leadership skills in order to strengthen the team as a whole.

GLOBAL BUSINESS DISTRICT – OPERATIONS

ENGINEERING

LAS VEGAS CONVENTION CENTER

The Las Vegas Convention Center, located adjacent to the Las Vegas Strip, currently encompasses approximately 3.2 million square feet with exhibit space of more than 2 million square feet and meeting space of more than 241,000 square feet. It includes 144 meeting rooms with seating capacities from 20 to 2,500. Parking for 5,200 cars is available on-site. See the diagram on page 7.

The Engineering section encompasses the activities of heating, ventilation and air conditioning (HVAC), plumbing, electrical, carpentry, painting, welding/fleet/folding walls, communications, voice systems, computerized maintenance management system (1CALL), grounds, and graphics. As part of the strategic realignment, the Facility Projects department is now part of the Engineering section.

The section's primary objective and responsibility is to maintain and operate all building systems and building components to a level that minimizes customer disruption and supports customers' needs. Engineering continuously pursues new technology that improves building efficiencies without compromising the comfort or quality that today's customer expects of the Las Vegas Convention Center.

Engineering staff handles preventative maintenance in all areas, from maintaining over 5,000 doors, including freight doors, to fleet vehicles and resolving HVAC and lighting issues, not only at the Las Vegas Convention Center, but also at the five outlying visitor information centers.

Goals

- ❖ Identification of 100 percent of critical electrical switchgear throughout facility.
- ❖ Revamp 100 percent of air walls in C4/C5 meeting rooms.
- ❖ Perform 50 percent of preventative maintenance for parking lots with the newly implemented Exterior Engineering team.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|--------------------------------------------------------------------------------------|-----------------|---------------|---------------|
| Maintained and/or repaired doors (5,620) | 4,215 | 4,230 | 4,245 |
| Maintained and/or repaired fleet vehicles, carts, and multi-use lift equipment (179) | 179 | 179 | 179 |
| Maintained and/or repaired bulbs and lamps (278,000) | 200,000 | 236,300 | 236,300 |
| Maintained plumbing fixtures (1,589) | 600 | 874 | 1,192 |
| Maintained ceiling components (892,000 sq. ft.) | 580,000 | 713,600 | 758,200 |
| Maintained restroom partition doors and door hooks (1,088) | 900 | 979 | 1,033 |
| Maintained and/or repaired electrical power panels and disconnects (1,500) | 700 | 600 | 525 |
| Maintained restrooms (120) and janitor closets (32) | 106 | 106 | 99 |
| Maintained amplifiers (280) | 200 | 240 | 280 |
| Maintained and/or repaired stand alone a/c units (163) | 56 | 122 | 130 |
| Maintained freight doors (92) and Central Plant doors (4) | 60 | 72 | 86 |
| Maintained elevators (24) and escalators (20) | 24 / 20 | 24 / 20 | 24 / 20 |
| Maintained radios (346) and auxiliary components (41) | 354 / 41 | 346 / 41 | 346 / 41 |
| Maintained and/or repaired parking areas (70 acres) | 62 | 70 | 70 |
| Maintained air handlers (142) | 100 | 118 | 118 |

ENGINEERING (continued)

Prior Year Achievements

- ❖ Assisted in the remodel of all Administrative offices of the LVCC and Cashman. In-house staff handled all painting, room configuration changes, lighting upgrades, replacement of all outlets and switches, adjustments to HVAC register placement and assisted with office moves, improving efficiency and appearance.
- ❖ Identified an issue with the approach on Joe W Brown access to North Road and devised a solution to move the crosswalk and fix the approach for ingress and egress. Assisted with removal of existing material, traffic control during project, and placement of new concrete, asphalt and crosswalk. This greatly improved access and safety for all vehicles, especially large delivery trucks, for move in and move out.
- ❖ Installed four covered electric car charging stations in the Gold Lot. Instrumental in the design and engineering of the structure and charging station. In-house staff assisted in the concrete work and all inclusive in the electrical wiring of the stations.
- ❖ Network connectivity was needed in support of various conventions exhibiting in the Green Lot. In collaboration with our network partner, Cox Communications, a plan was devised utilizing existing underground raceways to accomplish the fiber runs needed for access. Significant cost savings were realized by using in-house personnel to make adjustments to the existing electrical vaults and utilizing the existing 4-inch conduit.
- ❖ Identified a need to improve the condition and appearance of the parking lots and determined the most fiscally responsible and best long term solution. Personnel and resources were reallocated to allow for immediate implementation. This will result in the greatly improved appearance and safer conditions in all LVCVA lots.

FACILITY PROJECTS

The Facility Projects department, now part of the Engineering section, is responsible for overseeing all construction projects from conceptual design through the permitting, construction, commissioning and final acceptance process. The department coordinates the work of architects, engineers and construction firms for projects ranging from minor renovations and demolitions to capital projects for building and land improvements. Personnel work closely with LVCVA departments to identify strategic capital improvement projects that will enhance the customer experience and support sustainability initiatives.

Goals

- ❖ Continue the property renovation program through multiyear projects such as replacement of bollards, planters, air walls, and newly designed traffic barriers and gates.
- ❖ Update section and department policies and procedures to reflect changes in all processes including the change order process.
- ❖ Improve the flow of pedestrian and vehicular traffic with new directional external signage, improving the ingress and egress of the facility and reflecting the new color scheme.
- ❖ Continue to improve security with the multiyear surveillance camera project, retrofitting existing cameras and adding new cameras to enhance and improve the surveillance system at all LVCVA locations.

FACILITY PROJECTS (continued)

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|------------------------------------------------------------------|-----------------|---------------|---------------|
| Construction pay applications reviewed and submitted | 85 | 71 | 66 |
| Complete Board Approved CIP and additional approved CIP projects | 28 | 30 | 28 |

Prior Year Achievements

- ❖ Improved the appearance of the facility by painting the exterior of the LVCC with the newly designed color scheme and pattern.
- ❖ Enhanced customer experience and exterior uniformity by the construction of permanent shade structures leading to the Monorail walkway in front of the LVCC and taxi waiting area near the South Hall.
- ❖ Completed the archival of historical project documents adhering to the record retention statutes.
- ❖ Renovated and updated administrative offices with the new color scheme including paint and carpet, updating and improving the work environment for employees and customers.

GLOBAL BUSINESS DISTRICT - OPERATIONS

INFORMATION TECHNOLOGY

The Information Technology Department (ITD) functions as the LVCVA's technology and telecommunications support element. ITD has committed to advancing the LVCVA's goals and objectives in a fiscally responsible manner through innovation, leadership and guidance while improving service quality and applying necessary technical skills. Our mission will be accomplished through the focused and dedicated efforts of the Administrative, Support Services, Systems Maintenance, Software Development and Telecommunication teams.

Responsibilities include: maintaining all LVCVA computing hardware, software, networks, telecommunication and specialized media presentation systems; developing new support tools, automation systems, databases and applications; supporting Help Desk and telephone operations; and identifying cost-effective technology applications.

Goals

- ❖ Further enhance reliable access to company data repositories through the use of improved online storage and backup technologies.
- ❖ Replace the current file sharing and transmission system with a fully-supported platform; allowing easier communication between Authority staff and external stakeholders.
- ❖ Migrate manual paper and fax based statistical information collection tasks to a secure web based platform.
- ❖ Further consolidate telecommunication services by utilizing IP standards-based networks versus proprietary architectures; allowing for unified management of systems and overall cost reductions.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|------------------------------------------------|-----------------|---------------|---------------|
| In-House Training Cost Savings (dollars) | \$137,100 | \$84,000 | \$200,000 |
| Server availability (%) | 99.94% | 99.95% | 99.95% |
| Total Help Desk Calls Fielded | 4,504 | 5,300 | 5,200 |
| Network Devices Supported (Switches & Servers) | 94 | 99 | 104 |
| Computers Supported (PC's & Laptops) | 374 | 426 | 450 |
| Phone Extensions Supported | - | 1,308 | 1,295 |
| Check-out Equipment Supported | 18 | 17 | 16 |

Prior Year Achievements

- ❖ Company-wide rollout of new PC computer systems; replacing six year old systems in shared locations.
- ❖ Completed final Business Resumption Plan review and testing as part of our Business Continuity Program.
- ❖ Coordinated the technology transition to the Authority's new telecommunications provider (Cox Business) including the deployment of new technology into the LVCC and Cashman Center.
- ❖ Technology deployment of a new parking revenue collection system; allowing for the acceptance of credit cards from guests attending LVCC and Cashman events.
- ❖ Upgraded wide area voice and data networks connecting the Chicago, Washington DC, and Laughlin Regional Offices; offering improved reliability, better voice quality, and faster processing speed.

GLOBAL BUSINESS DISTRICT - OPERATIONS

SECURITY

With over 200 full and part-time staff, the Security department consists of three sections: Security Operations, Traffic and Fire Prevention. Security also consists of three sub-sections – Control Center, Life Systems, and Safety. It is the only section with a 24/7 presence at Cashman Center. Security is responsible for calls for service within the LVCC, monitoring and maintaining all technologies utilized by the department to ensure the facility and all occupants are safe. Those technologies include surveillance, fire systems and access control, texting and weather alert notifications. Additionally, this section manages the nursing/first aid program, executive protection, as well as the K-9 unit. The Safety sub-section is responsible for leading employee safety efforts including program management, OSHA compliance, injury prevention and safety training. The K-9 unit is responsible for checking objects, suspicious packages and areas for explosive contraband. The presence of a canine team in our environment is a proven deterrent to criminal activity involving explosives or other contraband.

Traffic consists of bike officers, perimeter security and traffic control. Perimeter Security monitors freight areas and assists in ensuring all vehicular traffic coming on property is authorized. Traffic control includes paid parking which generates revenue for the organization. The bike officers respond to calls for service all around the exterior of the LVCC and Cashman Center.

Fire Prevention is responsible for ensuring and maintaining a safe and risk-free environment for employees, visitors, and guests through the enforcement of regulatory statutes, codes, industry standards, and basic risk management theories and practices.

Over the years, Security has established a diverse position in the community, collaborating with organizations equally committed to protecting the public's welfare and core infrastructures. Some of those organizations include the International Tourism Safety Association, Las Vegas Security Chiefs Association and Las Vegas Metropolitan Police Department's Southern Nevada Counter-Terrorism (Fusion) Center.

Goals

- ❖ Foster organizational safety efforts through involvement by leadership and employees using training, information sharing, goals/metrics and mentoring. Continue efforts towards standards compliance by developing necessary safety programs and procedures.
- ❖ Introduce new safety/security initiatives focusing on elevating the customers' experience.
- ❖ Partner with Information Technology and Facility Projects sections to develop a comprehensive program to upgrade the Authority's surveillance and access control systems.
- ❖ Improve community partnerships through a series of initiatives that promote an exchange of information and enhance communication between the Authority and its stakeholders.
- ❖ Introduce new programs designed to improve leadership and employee communication.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-----------------------------------------------------------|-----------------|---------------|---------------|
| Lost/Found – percentage of items returned to owner | 48% | 55% | 55% |
| Photo ID badges created for building workers | 5,056 | 4,420 | 4,400 |
| First aid room contacts (patients treated) | 2,216 | 2,310 | 2,250 |
| Paid Parking revenue | \$2,972,400 | \$2,540,000 | \$2,600,000 |
| Total Guest Assist Text Conversations | 262 | 375 | 450 |
| Total Guest Assist Text Alerts Released by Control Center | 375 | 795 | 1,168 |
| Number of Individuals receiving Guest Assist Text Alerts | 9,067 | 20,041 | 29,059 |

SECURITY (continued)

Prior Year Achievements

- ❖ The Authority's International Tourism Safety Conference (ITSC) co-located with the International Security Conference (ISC West). Combining both events under one roof afforded attendees the greatest opportunity to experience ITSC and ISC West, the largest physical security tradeshow in North America. Optimized the sharing of information and insight of new products and the latest safety strategies.
- ❖ Held a number of open forum meetings with taxi cab owners, operators, community leaders and neighborhood residents to strengthen partnerships between the groups and introduce the Las Vegas Global Business District.
- ❖ Grew the Perimeter Security program. Staffing level was increased and the length of employee work shifts was extended into the evening hours.
- ❖ Launched point-of-sale system giving the organization the ability to process credit card transactions in paid parking areas.
- ❖ Developed and implemented several new or revised safety programs designed for compliance with regulations and improving employee safety.

FACILITY OPERATIONS

CASHMAN CENTER

Cashman Center is located on 51 acres near downtown Las Vegas. This facility provides an outdoor sports stadium that seats 10,000 fans and is home to a Triple A baseball franchise, the Las Vegas 51s. There is a state-of-the-art theater that will accommodate 1,922 patrons, with seating on the main floor and balcony areas. The campus contains fourteen meeting rooms with approximately 13,000 square feet of space and two exhibit halls with 98,100 square feet of space for small conventions, seminars, receptions and other events. See the schematic on page 8.

Goals

- ❖ Identify and implement a communication plan to effectively disseminate information to all employees.
- ❖ Develop an approved landscaping plan for the LVCC and Cashman Center, identifying plant selection, quantities, locations and maintenance.
- ❖ Collaborate with building partners to identify opportunities to improve the customer experience.
- ❖ Coordinate with all departments, building tenants and partners to increase Cashman Center’s community awareness, involvement and partnerships.

Activity Measures

| | Actual FY 13 | Est. FY 14 | Est. FY 15 |
|-------------------------------------------------------|-------------------------|-----------------------|-----------------------|
| Work orders completed | 1,478 | 1,550 | 1,300 |
| Exterior light fixtures converted to LED | 95 | 46 | 30 |
| Ball Field Maintenance (labor hours) | 5,680 | 6,800 | 8,200 |
| Show Managers Survey: Overall Experience (scale 1 -5) | 4.7 | 4.8 | 4.8 |

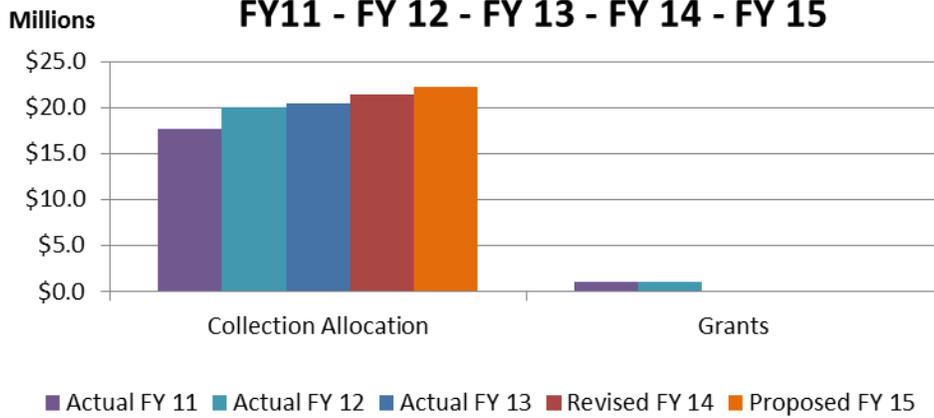
Prior Year Achievements

- ❖ Restructured the Grounds section, under a single manager, to improve customer service and direct resources on a seasonal basis.
- ❖ Renovated theatre/stadium plaza, improving exterior customer space and enhancing the pre-game experience.
- ❖ Worked with the building department to improve electrical infrastructure for show power contractors.
- ❖ Replaced theatre stage and dressing room flooring.

FY 2015 Expenditures



COMPARISON OF ACTUAL TO BUDGET FY11 - FY 12 - FY 13 - FY 14 - FY 15



COMMUNITY SUPPORT

BUDGET ANALYSIS

There have never been any positions or capital outlay budgeted for this section.

Collection allocation increases and decreases proportionally with room taxes as it is based on 10% of the amount of room taxes and gaming fees collected.

Grant programs have been suspended and community tourism events are now funded through a sponsorship program in the Marketing division.

Other Financing Uses is comprised of operating transfers out which represents appropriations for capital outlay and debt service as discussed in the following capital fund and debt service fund sections.

Reserve for contingency contains funding not only for contingencies but also to fund payroll related items: new positions, authorized but unfilled positions, retirements, education benefits and self-funded insurance premiums.

| ACTUAL FY 11 | ACTUAL FY 12 | ACTUAL FY 13 | EXPENDITURES BY CATEGORY AND OTHER FINANCING SOURCES | REVISED BUDGET FY 14 | PROPOSED BUDGET FY 15 | % CHANGE |
|-----------------|-----------------|-----------------|------------------------------------------------------------|----------------------------|-----------------------------|-------------|
| 17,734,517 | 20,140,605 | 20,502,802 | Collection Allocation | 21,495,000 | 22,355,000 | 4.0% |
| 1,050,000 | 1,000,000 | - | Grants | - | - | 0.0% |
| 200,662 | 16,980 | 6,379 | Other | - | - | 0.0% |
| 18,985,179 | 21,157,585 | 20,509,181 | | 21,495,000 | 22,355,000 | 4.0% |
| 43,013,475 | 61,035,737 | 65,778,232 | Other Financing Uses | 63,675,288 | 61,673,912 | (3.1%) |
| - | - | - | Reserve for Contingency | 1,299,700 | 3,278,900 | 152.3% |
| 61,998,654 | 82,193,322 | 86,287,413 | | 86,469,988 | 87,307,812 | 1.0% |

Presently, 10% of the total room taxes and gaming fees collected are returned to the county and the cities. The division of this collection allocation is set forth in an agreement between the various entities and may be designated by the individual entities for any purpose. The distribution to the county and its incorporated cities is mainly based upon the governor-certified population figures as prepared by the state demographer. The agreement adopted in FY 2007 maintained the reimbursement allocation up to the level as paid in FY 2007 ("Baseline"). Reimbursement above the baseline will be paid to the entity that collected the increase. The reimbursement formula was to be phased in over five years. If revenue falls below the FY 2007 level, the agreement reverts back to the one adopted in 1995 which is based solely on population with a set percentage for the cities of Mesquite and Boulder City. As collection allocation budget in FY 2015 is above the FY 2007 level, the by entity distribution is based on the 2007 agreement.

A Fair & Recreation Event Sponsorship was established in FY 2013 to sponsor community events for the purpose of driving tourism to and within Clark County as well as garnering exposure for southern Nevada tourism destinations. This program is part of the Marketing division.

Reserve for contingency contains funding for payroll suspense, retirements, education benefits, self- insurance premiums and contingency. Payroll suspense is used to fund new positions and unfilled authorized positions. If any new positions are requested, they are discussed in the personnel allocation section and included in the full-time personnel count in each division's proposed budget. If approved, funds are transferred to the divisions' salary and benefits accounts semi-annually.

CAPITAL PROJECTS FUNDS SUMMARY

The capital projects funds are used to account for the acquisition of capital assets and the construction of new facilities or improvements. For FY 2015, the LVCVA will have four active capital project funds. The Capital Improvement and Replacement Fund, the Land Acquisition Fund, Nevada Department of Transportation Fund, and the 2014 Bond Fund are discussed on the following pages. The historical schedule below includes all capital project funds active during that fiscal year.

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Grants | - | \$ 50,000 | - | - | |
| Interest | \$ 165,436 | 154,347 | \$ 85,700 | \$ 118,600 | 38% |
| Unrealized Gain/Loss | (35,452) | (34,878) | - | - | 0% |
| Miscellaneous | 56,666 | 27,070 | - | - | 0% |
| Contracted Reserve | 951,469 | 365,535 | - | - | 0% |
| Capital Contribution | 606,897 | 556,322 | - | - | 0% |
| Total Revenues | 1,745,015 | 1,118,396 | 85,700 | 118,600 | 38% |
| EXPENDITURES: | | | | | |
| Aramark Capital Expenditures | 951,469 | 365,535 | - | - | 0% |
| Non-Capital Assets | - | - | 600,000 | - | -100% |
| Leasehold Improvements | 18,215 | - | 650,000 | - | -100% |
| Land & Improvements | 243,396 | 22,532,178 | 22,815,750 | 1,955,000 | -91% |
| Buildings | 1,273,423 | 603,483 | 2,720,442 | 608,000 | -78% |
| Capital Improvement Program | 3,952,430 | 3,109,766 | 2,150,263 | - | -100% |
| Capital Transition Projects | 1,108,506 | 7,209,655 | 844,494 | - | -100% |
| Construction in Progress | 67,409,050 * | 11,222,212 * | 11,084,248 * | 71,712,100 * | 547% |
| Furniture & Equipment | | | | | |
| General Government | - | - | - | 18,000 | 0% |
| Marketing | - | - | - | - | 0% |
| Global Business District | 1,123,950 | 1,749,314 | 1,155,340 | 443,400 | -62% |
| Capital Leases | - | 14,942 | - | - | 0% |
| Total Expenditures | 76,080,440 | 46,807,085 | 42,020,537 | 74,736,500 | 78% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (74,335,425) | (45,688,689) | (41,934,837) | (74,617,900) | 78% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In | 14,000,000 | 12,800,000 | 7,250,000 | 1,000,000 | -86% |
| Operating Transfers Out | - | (7,000,000) | - | - | 0% |
| Proceeds from Debt Issuance | - | 24,990,000 | 50,000,000 | - | -100% |
| Debt Premium | - | 756,043 | - | - | 0% |
| Debt Issuance Costs | - | (724,062) | (300,000) | - | -100% |
| Capital Leases | - | 14,942 | - | - | 0% |
| Capital Lease Principal | (90,211) | (94,118) | - | - | 0% |
| Capital Lease Interest | (6,452) | (3,273) | - | - | 0% |
| Total Other Financing Sources (Uses) | 13,903,336 | 30,739,531 | 56,950,000 | 1,000,000 | -98% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | (60,432,088) | (14,949,158) | 15,015,163 | (73,617,900) | -590% |
| FUND BALANCE, BEGINNING | 134,785,522 | 74,353,434 | 59,404,276 | 74,419,439 | 25% |
| FUND BALANCE, ENDING | \$ 74,353,434 | \$ 59,404,276 | \$ 74,419,439 | \$ 801,539 | -99% |

*Includes projects from the Nevada Department of Transportation Funds.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

The Capital Improvement and Replacement Fund is used to account for capital expenditures for furniture, equipment, construction work-in-progress, land, buildings, and improvements to land, buildings and leaseholds.

In FY 2002, capital assets became depreciable per GASB Statement 34's "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This means that the LVCVA allocates the cost of tangible property over a period of time, rather than expensing the entire cost in one year. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

The requirement for maintaining controls over fixed assets is found in the Nevada Revised Statutes and Nevada Administrative Code. The latter spells out the following inventory guidelines:

- (1) The governing body of every local government shall take an inventory at least once every two years of all its equipment and other personal property that constitute fixed assets.
- (2) Each item of property subject to the inventory must be assigned an identifying number and be labeled as belonging to the local government.

CAPITALIZATION THRESHOLD

Nevada Administrative Code 354.750 sets guidelines for the establishment of capitalization thresholds by resolution. This same code requires that every local government perform an inventory every two years.

A capital asset is tangible property such as equipment having a useful life greater than one year. There are two major types: real property, such as land, land improvements (excavation, filling, utilities, removal, retaining walls, fencing, etc.) buildings, building improvements; and personal property including vehicles, machinery, equipment, and furniture and fixtures. Capital assets may also include patents, goodwill, trademarks, and leaseholds.

Capital Fund Threshold

Assets with a unit cost less than \$3,000 shall be treated as operating supplies and funded from the initiating department's operating budget. Assets with a unit acquisition cost greater than \$3,000 will be funded from the LVCVA's Capital Fund.

Capitalization Threshold

State statutes allow the governing body to adopt a resolution establishing the thresholds for required capitalization. Capitalization assumes the following: the item is generally tangible in nature (computer software is the major exception); the item has a useful life greater than one year; and the item is not a repair part or supply item. The LVCVA has established the following thresholds for determining the cost at which items should be classified as a capital asset.

Assets with a unit acquisition cost greater than \$10,000.

Bulk capital asset purchases with a total combined cost greater than \$25,000. A bulk purchase is defined as a single purchase or an acquisition of a quantity of similar items with unit costs of less than the threshold where the total cost exceeds \$25,000. Typical bulk purchases include setup tables and chairs, podiums, barricades, trash receptacles and amplifiers. While individually costing less than the threshold, these items will be combined and capitalized as a group of assets.

BUDGET PROCESS

Planning for capital acquisitions is a continuous process throughout the year. Individual employees originate proposals for acquiring new and replacement equipment and furniture. If the supervisor agrees with the proposal, it is added to the section's capital requests.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

BUDGET PROCESS (continued)

During the budget process, each organizational unit submits its requests to acquire equipment and furniture. These requests must be justified as replacements for existing items that have failed or become obsolete or as new acquisitions that will enhance and improve the efficiency and/or effectiveness of the LVCVA's operations. All requests are reviewed and discussed during the executive budget review process. The acquisitions that survive this process are consolidated into the final budget. Some are moved to subsequent years for future consideration.

Factors that can influence an increase or decrease in the land and building improvement accounts are:

- ✧ As the Las Vegas Convention Center is expanded, the older parts of the facility are updated and modernized.
- ✧ Due to the number of shows and events using the exhibit halls and meeting rooms, projects must wait for an open time frame before proceeding.
- ✧ National and international events, such as economic downturns, can determine if capital improvement projects will be deferred until future years.

The LVCVA uses the construction work-in-progress account to fund various on-site improvements that have been on the drawing board, in some cases for years.

Capital land and building improvement project requests have a similar, although more involved, budget process. The capital improvement program is described on page 81.

These expenditures are funded from current operations or fund balance reserves.

IMPACT ON GENERAL FUND

Capital projects can have an impact on the LVCVA's operating budget in several ways. Costs impacted by acquiring or replacing equipment and constructing additional exhibit space include required personnel levels, maintenance expenses and utility charges. Some of the capital projects are multi-year programs, and the fiscal impact can be spread across many fiscal years.

Building and land improvements are listed on pages 81-82. Included is a description of the project and any quantifiable impacts on the general fund.

The majority of the furniture/fixtures and equipment purchases are for replacement due to damage, obsolescence or theft. When repairing damaged equipment is no longer cost-effective, it is replaced. However, depending on the type of equipment, many departments cannibalize damaged equipment for parts, thereby reducing repair costs.

BUDGET ANALYSIS

FY 2015 capital projects and purchases are funded with a transfer to the Capital Improvement and Replacement Fund from the operating budget. The FY 2015 transfer of \$1.0 million is 86% less than FY 2014 revised budget, as during FY 2014 additional funds were augmented into capital in order to restore reserves that were transferred to the general fund during the economic downturn and reinvest in the facilities and infrastructure. During FY 2015, our capital fund will be used for a variety of small improvement projects, including land improvement, building improvements and routine replacement of furniture and equipment.

The capital improvement program (CIP) is the LVCVA's pay-as-you-go capital plan for funding major expansion and land acquisition. There are no funds budgeted as part of CIP in FY 2015.

Non-CIP building and land Improvements total \$1,063,000 and furniture, equipment, and computer appropriations total \$461,400.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

A summarized capital building and land improvement listing is included. It is followed by a description of major projects and impacts on the general fund. A capital furniture and equipment listing by organizational unit is also featured.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Grants | - | \$ 50,000 | - | - | |
| Miscellaneous | \$ 55,300 | 25,000 | - | - | 0% |
| Interest | 85,078 | 104,333 | \$ 85,700 | \$ 77,500 | -10% |
| Unrealized Gain/Loss | 2,267 | (30,254) | - | - | 0% |
| Discounts Earned | 1,366 | 2,070 | - | - | 0% |
| Contracted Reserve | 951,469 | 365,535 | - | - | 0% |
| Capital Contribution | 606,897 | 556,322 | - | - | 0% |
| Total Revenues | 1,702,376 | 1,073,006 | 85,700 | 77,500 | -10% |
| EXPENDITURES: | | | | | |
| Aramark Capital Expense | 951,469 | 365,535 | - | - | 0% |
| Non-Capital Assets | - | - | 600,000 | - | -100% |
| Leasehold Improvements | 18,215 | - | 650,000 | - | -100% |
| Land & Improvements | 243,396 | 170,412 | 22,074,450 | 1,955,000 | -91% |
| Buildings | 1,273,423 | 603,483 | 2,720,442 | 608,000 | -78% |
| Capital Improvement Program | 3,952,430 | 3,109,766 | 2,150,263 | - | -100% |
| Capital Transition Projects | 1,108,506 | 7,209,655 | 844,494 | - | -100% |
| Construction in Progress | 313,647 | 530,731 | 1,138,920 | 31,200,000 | 2639% |
| Furniture & Equipment | | | | | |
| General Government | - | - | - | 18,000 | 0% |
| Marketing | - | - | - | - | 0% |
| Global Business District | 1,123,950 | 1,749,314 | 1,155,340 | 443,400 | -62% |
| Capital Leases | - | 14,942 | - | - | 0% |
| Total Expenditures | 8,985,037 | 13,753,838 | 31,333,909 | 34,224,400 | 9% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,282,660) | (12,680,833) | (31,248,209) | (34,146,900) | 9% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Proceeds from Sale of Fixed Assets | - | - | - | - | 0% |
| Proceeds from Debt | - | - | 21,008,700 | - | |
| Capital Leases | - | 14,942 | - | - | 0% |
| Capital Lease Principal | (90,211) | (94,118) | - | - | 0% |
| Capital Lease Interest | (6,452) | (3,273) | - | - | 0% |
| Operating Transfers In | 14,000,000 | 12,500,000 | 7,250,000 | 1,000,000 | -86% |
| Budget Reserve | - | - | - | - | 0% |
| Operating Transfers Out | - | (7,000,000) | - | - | 0% |
| Total Other Financing Sources (Uses) | 13,903,336 | 5,417,551 | 28,258,700 | 1,000,000 | -96% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | | |
| | 6,620,676 | (7,263,282) | (2,989,509) | (33,146,900) | 1009% |
| FUND BALANCE, BEGINNING (from CAFR) | 37,551,552 | 44,172,228 | 36,908,946 | 33,919,437 | -8% |
| FUND BALANCE, ENDING (from CAFR) | \$ 44,172,228 | \$ 36,908,946 | \$ 33,919,437 | \$ 772,537 | -98% |

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

The summary below represents capital projects and purchases by organizational unit. A more detailed listing follows it.

EXPENDITURE SUMMARY

IMPROVEMENTS

Building Improvements

| | |
|-----------------------------|------------|
| Las Vegas Convention Center | \$ 608,000 |
|-----------------------------|------------|

Construction Work in Progress

| | |
|--------------------------------------------|------------|
| Las Vegas Global Business District Reserve | 14,200,000 |
|--------------------------------------------|------------|

| | |
|------------------|------------|
| Economic Reserve | 18,500,000 |
|------------------|------------|

Land Improvements

| | |
|-----------------------------|---------|
| Las Vegas Convention Center | 350,000 |
|-----------------------------|---------|

| | |
|----------------|---------|
| Cashman Center | 105,000 |
|----------------|---------|

| | |
|-----------------|-------------------|
| <i>Subtotal</i> | <u>33,763,000</u> |
|-----------------|-------------------|

FURNITURE /FIXTURES & EQUIPMENT

General Government

| | |
|-----------------|--------|
| Human Resources | 12,000 |
|-----------------|--------|

| | |
|----------------|-------|
| Public Affairs | 6,000 |
|----------------|-------|

Global Business District

Operations

| | |
|------------------------|---------|
| Client Services – LVCC | 146,300 |
|------------------------|---------|

| | |
|-----------------------|--------|
| Communications – LVCC | 37,500 |
|-----------------------|--------|

| | |
|------------------------|---------|
| Information Technology | 259,600 |
|------------------------|---------|

| | |
|-----------------|----------------|
| <i>Subtotal</i> | <u>461,400</u> |
|-----------------|----------------|

| | |
|--|---------------------|
| | <u>\$34,224,400</u> |
|--|---------------------|

Project numbers listed on the following three pages encompass a range of projects from FY 2013 to FY 2015. A project may have expenses in a prior year and also have funding in the new budget year. Additionally, a project which has been canceled in a prior year may receive funding in the new budget year. Using the original project number, we are better able to report the projects' timeline and to track the entire cost.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

CONVENTION CENTER

BUILDING IMPROVEMENTS

Building improvements include such projects as additions, expansions or renovations to current buildings, and upgrades or replacements of equipment attached to the buildings. Projects numbers flow from year to year which allows us better tracking of the entire cost of a project.

| | BUDGET FY 2015 |
|----------------------------------------------------|-------------------|
| 00000.13.006 Directional External Signage | \$ 75,000 |
| 00000.15.001 Freight Door 11 Upgrades | 50,000 |
| 00000.15.002 North Hall Annex Airwall Replacement | 211,000 |
| 00000.15.003 Security Office Floor Replacement | 40,000 |
| 00000.15.004 South Hall Kirlin Fixture Replacement | 50,000 |
| 00000.13.011 Surveillance Cameras | 90,000 |
| 00000.15.005 Traffic Office Remodel | 75,000 |
| 00000.15.006 Window Shades | 17,000 |
| | <u>\$ 608,000</u> |

LAND IMPROVEMENTS

Land improvements are defined as land attachments of a permanent nature, other than buildings and include such items as roads, bridges, tunnels, walks, parking lots, etc.

| | |
|-----------------------------------------------------|-------------------|
| 00000.15.007 North Road Compactor Relocation | 50,000 |
| 00000.15.008 Seal Coat Silver Lots 1, 2, & 3 | 200,000 |
| 00000.15.009 Perimeter Gates & Wrought Iron Fencing | 100,000 |
| | <u>\$ 350,000</u> |

MAJOR PROJECTS FOR FY 2015

NORTH HALL ANNEX AIRWALL REPLACEMENT – Many of the airwalls in this part of the facility date back to 1973. The expected life of airwalls is 20-25 years. These walls are falling apart! Parts needed to repair the aging walls are continually harder to acquire.

SEAL COAT SILVER LOTS 1, 2, AND 3 – The parking lots and roadway throughout the facility have not been resealed in the past 13 years. In certain areas cracks have formed. When water gets into these cracks it pushes up the type-2 gravel that is below the asphalt. When the type-2 gravel is pushed to the surface it allows the asphalt to sink. Eventually the lots and roadways turn to gravel with intermittent areas of asphalt, causing a safety hazard for forklifts and electric carts.

PERIMETER FENCING & GATES – As a means of adding security to the LVCC campus, access gates will be installed in the Gold Lot, Orange Lot, Swenson/South Road, and North Road East & West.

IMPACT ON OPERATING BUDGET

The various building improvements are anticipated to reduce repair and maintenance costs and increase energy efficiency. However, none of these projects are expected to increase general fund expenditures, such as personnel.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

- ✧ North Hall Annex Airwall Replacement – Parts for these aging walls are hard to find. The annual repair costs over the past five years have averaged \$1,000 per year.
- ✧ Seal Coat Silver Lots 1, 2, and 3 – Over \$30,000 is spent annually in materials and personnel to maintain these lots. Seal coating would reduce expenditures by approximately 75%.

With this long-term vision in mind, capital funding in FY 2015 remains limited to reinvestment in the facilities that is deemed to be essential in ensuring current operational excellence. Significant capital improvements programs for the two facilities, including the future year expenditures highlighted on pages 88-91 will be incorporated into the LVGBD renovation.

CASHMAN CENTER

LAND IMPROVEMENTS

Land improvements are defined as land attachments of a permanent nature, other than buildings and include such items as roads, bridges, tunnels, walks, parking lots, etc.

| | <u>BUDGET</u> <u>FY 2015</u> |
|-----------------------------------------------------|---------------------------------|
| 00000.15.010 Ballfield Protective Netting & Padding | 50,000 |
| 00000.15.011 Right Field Wall Replacement | 55,000 |
| | <u>\$ 105,000</u> |

MAJOR PROJECTS FOR FY 2015

There are no major projects scheduled for Cashman Center this fiscal year.

IMPACT ON OPERATING BUDGET

The various building improvements are not anticipated to reduce repair and maintenance costs nor increase energy efficiency. Also, none of these projects are expected to increase general fund expenditures, such as personnel.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

CAPITAL FURNITURE AND EQUIPMENT LISTING

Departmental Furniture & Equipment

| | <u>FURNITURE</u> | <u>EQUIPMENT</u> |
|-------------------------------------------------------------|------------------|-------------------|
| <u>GENERAL GOVERNMENT</u> | | |
| <u>HUMAN RESOURCES</u> | | |
| 10500.15.001 Modular Furniture | \$ 12,000 | |
| | <u>12,000</u> | |
| <u>PUBLIC AFFAIRS</u> | | |
| 10300.15.001 Nikon D4 | | \$ 6,000 |
| | | <u>6,000</u> |
| <u>GLOBAL BUSINESS DISTRICT</u> | | |
| <u>INFORMATION TECHNOLOGY</u> | | |
| 51000.15.001 APC Power Supply Replacement Batteries | | 25,000 |
| 51000.15.002 Employee Emergency Notification System | | 5,000 |
| 51000.15.003 EqualLogic Data Storage Equipment | | 20,000 |
| 51000.15.004 iMac | | 3,600 |
| 51000.15.005 LED/LCD Interactive Touch Screen | | 10,000 |
| 51000.15.006 Microsoft Software Assurance Agreement Renewal | | 15,000 |
| 51000.15.007 Miscellaneous Hardware and Software | | 5,000 |
| 51000.14.006 PC/Laptop Leasing & Buy-out | | 150,000 |
| 51000.15.008 Records Management Software | | 26,000 |
| | | <u>259,600</u> |
| <u>CLIENT SERVICES - LVCC</u> | | |
| 55020.15.001 Carpet Extractor | | 26,000 |
| 55020.15.002 Stage Panels & Legs | | 120,300 |
| | | <u>146,300</u> |
| <u>COMMUNICATIONS - LVCC</u> | | |
| 55043.15.001 Motorola 2-way Radios | | 37,500 |
| | | <u>37,500</u> |
| <u>TOTALS</u> | <u>\$ 12,000</u> | <u>\$ 449,400</u> |

LAND ACQUISITION FUND

This fund was established to account for the expenditures incurred and debt proceeds received to purchase land. Funds were budgeted in FY 2013 as the potential to acquire land adjacent to the Las Vegas Convention Center became available. Acquisition of property near the LVCC provides an opportunity to address long term needs for additional space. Parcels in the area are able to be used for a variety of purposes including, but not limited to, exhibit space, parking, freight marshaling, and facility expansion. Given the scarcity of land that can meet the LVCC's operating needs, taking advantage of these opportunities as properties become available is paramount and in FY 2013 multiple land purchases were made. Funding for FY 2015 will be used to complete demolition of buildings on land purchased in previous fiscal years.

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Interest | | \$ 9,686 | - | - | 0% |
| Total Revenues | | 9,686 | - | - | 0% |
| EXPENDITURES: | | | | | |
| CWIP | | 86,224 | \$ 1,383,675 | 1,500,000 | 8% |
| Land & Improvements | | 22,361,767 | - | - | 0% |
| Total Expenditures | | 22,447,991 | 1,383,675 | 1,500,000 | 8% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (22,438,306) | (1,383,675) | (1,500,000) | 8% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In | | 300,000 | - | - | 0% |
| Proceeds from Debt | | 24,990,000 | - | - | 0% |
| Debt Premium | | 756,043 | - | - | 0% |
| Debt Issuance Costs | | (724,062) | - | - | 0% |
| Total Other Financing Source (Uses) | | 25,321,980 | - | - | 0% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | | |
| | | 2,883,675 | (1,383,675) | (1,500,000) | 8% |
| FUND BALANCE, BEGINNING (from CAFR) | | | | | |
| | | - | 2,883,675 | 1,500,000 | -48% |
| FUND BALANCE, ENDING (from CAFR) | | | | | |
| | | \$ 2,883,675 | \$ 1,500,000 | \$ - | -100% |

NEVADA DEPARTMENT OF TRANSPORTATION FUND

As authorized by Nevada Revised Statute 244A.637, the LVCVA issued bonds to provide funding to the Nevada Department of Transportation (NDOT) for road projects along Interstate 15. A legislative mandate required the LVCVA to contribute the lesser of \$20,000,000 a year for a period of 30 years for debt service or a total of \$300,000,000 in principal to the NDOT for projects in Clark County. All bonds have been issued related to this obligation. This fund accounts for the expenditures of funds to the Nevada Department of Transportation. The principal and interest on outstanding debt is accounted for in the debt service section.

The current project being performed by NDOT is a reconstruction of a pedestrian bridge over Tropicana Boulevard; just off of I-15. All remaining funds are expected to be disbursed during FY 2015.

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Interest | \$ 80,357 | \$ 40,328 | \$ - | \$ 12,100 | 0% |
| Unrealized Gain/Loss | (37,718) | (4,624) | - | - | 0% |
| Total Revenues | <u>42,639</u> | <u>35,704</u> | <u>-</u> | <u>12,100</u> | <u>0%</u> |
| EXPENDITURES: | | | | | |
| Construction in Progress | 67,095,403 | 10,605,257 | 7,611,653 | 12,012,100 | 58% |
| Total Expenditures | <u>67,095,403</u> | <u>10,605,257</u> | <u>7,611,653</u> | <u>12,012,100</u> | <u>58%</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(67,052,764)</u> | <u>(10,569,553)</u> | <u>(7,611,653)</u> | <u>(12,000,000)</u> | <u>58%</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Total Other Financing Source (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0%</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | | |
| | (67,052,764) | (10,569,553) | (7,611,653) | (12,000,000) | 58% |
| FUND BALANCE, BEGINNING (from CAFR) | | | | | |
| | <u>97,233,970</u> | <u>30,181,206</u> | <u>19,611,653</u> | <u>12,000,000</u> | <u>-39%</u> |
| FUND BALANCE, ENDING (from CAFR) | | | | | |
| | <u>\$ 30,181,206</u> | <u>\$ 19,611,653</u> | <u>\$ 12,000,000</u> | <u>\$ -</u> | <u>-100%</u> |

LAS VEGAS GLOBAL BUSINESS DISTRICT FUND

This fund was established to account for the expenditures incurred and debt proceeds received to develop the Las Vegas Global Business District (LVGBD), including land purchases, site improvements and capital improvements. In February 2013 the Las Vegas Convention and Visitors Authority board of directors approved the LVGBD conceptual vision. To be completed in phases, the LVGBD program envisions an international business destination by incorporating major renovations of the Las Vegas Convention Center and the surrounding district, leveraging the World Trade Center designation and developing transportation connectivity through a centralized hub.

In FY 2014 the potential to acquire land adjacent to the Las Vegas Convention Center became available. Acquisition of property near the LVCC provides an opportunity to address long term needs for additional space. Parcels in the area are able to be used for a variety of purposes including, but not limited to, exhibit space, parking, freight marshaling, and facility expansion. Given the scarcity of land that can meet the LVCC's operating needs, taking advantage of these opportunities as properties become available is paramount.

The first phase focuses on renovating the Las Vegas Convention Center and creating a convention district campus. This includes building additional exhibit space, meeting rooms and general session space; upgrading technology; adding new food and beverage outlets; and, creating a grand concourse connector with more lobby space. Outside the convention center, plans call for outdoor public and gathering spaces and various design elements to enhance the neighborhood and establish a cohesive business center district. Funding for FY 2015 will be used to complete demolition of buildings on land purchased in previous fiscal years and other projects related to the LVGBD.

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Interest | | | - | 29,000 | 0% |
| Other | | | - | - | 0% |
| Total Revenues | | | - | 29,000 | 0% |
| EXPENDITURES: | | | | | |
| CWIP | | | \$ 950,000 | 27,000,000 | 2742% |
| Land & Improvements | | | 741,300 | - | -100% |
| Total Expenditures | | | 1,691,300 | 27,000,000 | 1496% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | (1,691,300) | (26,971,000) | 1495% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In | | | - | - | 0% |
| Operating Transfers Out | | | - | - | 0% |
| Proceeds from Debt | | | 28,991,300 | - | -100% |
| Debt Premium | | | - | - | 0% |
| Debt Issuance Costs | | | (300,000) | - | -100% |
| Total Other Financing Source (Uses) | | | 28,691,300 | - | -100% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | | |
| | | | 27,000,000 | (26,971,000) | -200% |
| FUND BALANCE, BEGINNING (from CAFR) | | | | | |
| | | | - | 27,000,000 | 0% |
| FUND BALANCE, ENDING (from CAFR) | | | | | |
| | | | \$ 27,000,000 | \$ 29,000 | -100% |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

A capital improvement plan (CIP) is a financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period. This multi-year document identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. It is also a process that provides order and continuity to the repair, replacement, construction or expansion of the LVCVA's facilities.

The LVCVA prepared a five-year capital improvement plan for fiscal years 2015 – 2019. It includes not only all planned capital acquisitions or projects expected to cost \$30,000 or more in one fiscal year, but also multi-year equipment replacements and additions regardless of estimated individual cost. Current year projects and equipment estimated to be less than \$30,000 are included in the capital furniture and equipment listing on page 83. The first year projects (FY 2015) operating impacts have already been discussed on pages 84-85. If there are any impacts on the operating budgets for FY 2015 – 2019, they will be noted below the project name.

Following the five-year capital improvement listing is a brief narrative about the projects, in fiscal year order, with expected budgets over \$250,000. Each project narrative identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. Also presented are general fund impacts of said projects (personnel, services, and supplies). The listing is sorted by fiscal year, location, and category.

Nevada Revised Statute 350.013 requires that capital improvement plans be submitted to the Nevada State Department of Taxation and the County Clerk with the entity's Debt Management Policy and Indebtedness Report on August 1.

BUDGET PROCESS

In conjunction with the review and update of departmental objectives and preparation of the departmental annual budget, each department is required to identify and submit individual capital project requests to their respective senior vice president.

Departments are urged to carefully assess their equipment necessities and planned improvement programs to determine the full five-year needs in an effort to encourage long-range planning instead of short-term, stop-gap, or "emergency" repairs or rehabilitation work.

For each project/acquisition, the submitter must provide a description, justification, documentation, and amount of funding that is expected to be needed. In addition, any effects that the project will have on future annual operating budgets must be identified and quantified if possible. Based on the individual project details, summaries of capital funding needs over the next five years can be prepared and sources of funding identified.

The Finance Department then compiles a preliminary listing of capital projects and acquisitions for the executive review process. It is during this review process that project recommendations are accepted, deferred to later years, or changed either in time frame or funding.

Year one of the plan (budget year) is submitted to the Board of Directors for their acceptance and approval in the operating budget. Any projects or purchases that may have an impact on the operating budget will be footnoted and quantified if possible. The CIP does not include reserves.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2015-2019

| | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|--------------------------------------------------------------------------------------|----------------|------------------|------------------|------------------|------------------|
| CONVENTION CENTER | | | | | |
| Land Improvements | | | | | |
| Seal Coat Silver 1,2, & 3 Parking Lots | \$ 200,000 | | | | |
| Perimeter Wrought Iron Fencing & Gates - Traffic Control Barriers at Main LVCC Entry | 100,000 | \$ 100,000 | \$ 100,000 | | |
| 820 D.I. Re-Paving Improvements | | 600,000 | | | |
| Front Entrance Sidewalk Replacement to C2 | | 400,000 | | | |
| Client Service's Trailer Upgrade and Transfer | | 70,000 | | | |
| Underground Water Valve- 12 inch Replacement | | 45,000 | | | |
| Seal Coat Driveways from North Road to FD8 | | | 125,000 | | |
| Seal Coat Blue Lot North & South Parking Lot | | | 100,000 | | |
| Seal Coat Purple Lot | | | 80,000 | | |
| Orange Lots 1&2 Resurface | | | 54,000 | \$ 700,000 | |
| Wall Protection Install at Loading Dock 7 and 8 | | | 50,000 | | |
| Seal Coat Red Lot & Red Drive | | | 40,000 | | |
| Seal Coat North Road | | | 35,000 | | |
| Seal Coat Gold Parking Lot | | | | 160,000 | |
| Green Lot Utility Box Improvements | | | | 97,000 | |
| Seal Coat Green Parking Lot | | | | 85,000 | |
| Seal Coat Silver 4 Parking Lot | | | | 80,000 | |
| Board Room Landscape Area | | | | 80,000 | |
| Seal Coat South Drive | | | | 60,000 | |
| Seal Coat Silver Drive | | | | 50,000 | |
| JW Brown Landscape/Fence/Gates Design & Construction | | | | 40,000 | \$ 400,000 |
| Fire Booster Pump (Paradise) | | | | | 303,000 |
| Subtotal | 300,000 | 1,215,000 | 584,000 | 1,352,000 | 703,000 |
| Capital Improvement Program | | | | | |
| Central Hall Roof Repairs | | 2,500,000 | | | |
| Emergency Notification System | | 1,173,230 | 1,997,235 | | |
| C1 & C2 Air Handler Replacement | | | 1,000,000 | 1,000,000 | 1,000,000 |
| Gold Lot to LVCC Entry Feature | | | | 1,000,000 | |
| Silver Lots 1&2 Swale/Parking Lighting Replacement | | | | 45,000 | 527,500 |
| South Halls Electrical Upgrade Distribution | | | | 30,000 | 1,040,000 |
| Restrooms Renovation Central Halls | | | | | 5,000,000 |
| Exhibit Hall Concrete Replacement (C-2 & C-3) design and construct | | | | | 50,000 |
| Subtotal | - | 3,673,230 | 2,997,235 | 2,075,000 | 7,617,500 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2015-2019

| | | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|---------------------------------------------------|----|----------------|------------------|------------------|------------------|----------------|
| CONVENTION CENTER | | | | | | |
| Building Improvements | | | | | | |
| NH Annex Meeting Room Airwall Replacement | \$ | 211,000 | | | | |
| Surveillance Cameras Design and Install | | 90,000 | \$ 213,000 | | | |
| Directional External Signage | | 75,000 | 50,000 | | | |
| Traffic Office Remodel | | 75,000 | | | | |
| Compactor Move - North Road | | 50,000 | | | | |
| Freight Door 11 Upgrades | | 50,000 | | | | |
| South Hall Kirlin Fixture Replacement | | 50,000 | | | | |
| Security Office Linoleum Floor Replacement | | 40,000 | | | | |
| Window Shades Phase 2 - Admin Offices | | 17,000 | | | | |
| Tunnel Restrooms Renovation (C-3) | | | 500,000 | | | |
| Admin Network Fiber Optic Replacement | | | 225,000 | | | |
| C Hall Southside Glass Store Front Replacement | | | 195,000 | | | |
| Aramark Food Inlets - Central Hall Corridor | | | 100,000 | | | |
| Transformer Rooms Fire Rated Walls | | | 92,000 | | | |
| Central Kitchen Hot Water Heater Upgrade | | | 80,000 | | | |
| S-1 Lobby Electrical Outlets Installation | | | 80,000 | | | |
| Lighting Controls Upgrade (N & C Halls) | | | 45,000 | \$ 125,000 | | |
| S-2 Pre-Function Lobby 4' Double Door Replacement | | | 40,000 | | | |
| Escalator Replacement - East Lobby | | | | 800,000 | | |
| Audio Equipment Rooms HVAC Units | | | | 550,000 | | |
| Orange Lot FD Aprons Replacement | | | | 500,000 | | |
| HVAC Commissioning, Central, North, South Halls | | | | 340,000 | \$ 170,000 | |
| South Hall Roof Drain Relining | | | | 300,000 | | |
| Elevator Equip Rooms HVAC Units | | | | 250,000 | | |
| North Meeting Room Air Handler Replacement | | | | 150,000 | | |
| Central Hall Utility Repair | | | | 102,200 | | |
| C1-C2 Hall Hot Water Line Re-piping | | | | 100,000 | | |
| North Meeting Rooms Doors Replacement | | | | 57,600 | | |
| Rapid Roll-Up Door Replacements | | | | | 210,000 | |
| Exhaust Hood Install Aramark Stands | | | | | 200,000 | |
| Saflok Key Access in N101-N243 | | | | | 175,000 | |
| Engineering Breakroom Renovation | | | | | 100,000 | |
| North Meeting Room Lighting (N231-251) | | | | | 94,000 | \$ 90,000 |
| Dry System Valves Relocation (#6-#8) | | | | | 75,000 | |
| Central Plant Hot Water Boilers Burner Upgrade | | | | | 72,000 | |
| Paint Shop Storage Deck | | | | | 69,000 | |
| Wayfinding Signage Install (South Halls) | | | | | | 75,000 |
| Subtotal | | 658,000 | 1,620,000 | 3,274,800 | 1,165,000 | 165,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2015-2019

| | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|-----------------------------------------|----------------|------------------|----------------|------------------|----------------|
| CONVENTION CENTER | | | | | |
| Furniture & Equipment | | | | | |
| Capital Computer | \$ 259,600 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| Stage Panels and Legs | 120,300 | | | | |
| Radios | 37,500 | | | | |
| Ride-on Carpet Extractor | 26,000 | 12,000 | 24,000 | | |
| Other (less than \$30K) | 18,000 | 37,000 | 72,000 | 70,500 | 24,000 |
| Chairs | | 359,000 | | 239,000 | 359,000 |
| Tables | | 178,500 | 74,000 | 165,000 | 97,000 |
| Lobby Seating | | 150,000 | | 80,000 | |
| Scrubber | | 67,000 | 70,000 | 107,000 | |
| Forklift | | 45,000 | | 47,500 | 50,000 |
| Shuttle Bus | | | 100,000 | | 15,000 |
| Sweeper Truck | | | 97,000 | | |
| Skywatch | | | 85,000 | 85,000 | |
| Patrol Vehicle | | | 40,000 | | 40,000 |
| Electric Pallet Jacks (3) | | | 40,000 | | |
| Parking Booths | | | 30,000 | 30,000 | |
| Subtotal | 461,400 | 1,098,500 | 882,000 | 1,074,000 | 835,000 |
| CASHMAN CENTER | | | | | |
| Land Improvements | | | | | |
| Ballfield Protective Netting and Pads | 55,000 | | | | |
| Outfield Wall Replacement (Right Field) | 50,000 | | | | |
| Rolling Gate at Lot A Installation | | 95,000 | | | |
| Lot C Repair/Reseal | | | 350,000 | | |
| Water Valve Replacement | | | 55,000 | | |
| Concrete Walks/Curbing Replacement | | | 34,000 | | |
| Subtotal | 105,000 | 95,000 | 439,000 | - | - |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2015-2019

| | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| CASHMAN CENTER | | | | | |
| Building Improvements | | | | | |
| Stadium Concrete Replacement-Concourse | | \$ 25,000 | \$ 200,000 | | |
| Air-Wall Carpet (Meeting Rooms) | | | 100,000 | | |
| Theatre Seating Replacement | | | 95,000 | | |
| Restrooms Remodel Design & Construction | | | 50,000 | \$ 350,000 | |
| Lighting Controls Upgrade | | | 45,000 | 125,000 | |
| Boiler Replacement Design & Construction | | | 8,500 | 400,000 | |
| HVAC System Automation | | | | 200,000 | |
| Theatre Lights Replacement | | | | 200,000 | |
| Wi-Fi System | | | | 130,000 | |
| Perimeter Doors Replacement | | | | 100,000 | |
| 2nd Water Supply Design & Install | | | | 50,000 | \$ 450,000 |
| Stadium Concrete Replacement-Club Level | | | | 25,000 | 200,000 |
| Hydraulic Stage Lift Design & Install | | | | 15,000 | 200,000 |
| Subtotal | - | 25,000 | 498,500 | 1,595,000 | 850,000 |
| Furniture & Equipment | | | | | |
| Other (less than \$30K) | | 18,000 | | | 15,000 |
| Tables | | 88,000 | 35,000 | 65,000 | 75,000 |
| Chairs | | 44,000 | | | 50,000 |
| Chevrolet Truck | | 30,000 | | | |
| Mower/groomer | | 16,000 | 65,000 | | |
| Laser Grader | | 35,000 | | | |
| Scrubber | | 40,000 | | 30,000 | |
| Sweeper | | 35,000 | | | 20,000 |
| Electric Carts | | 12,000 | | 22,000 | 25,000 |
| Power Rakes | | | | 48,000 | |
| Gas Carts | | | | | 50,000 |
| Portable Power Transformer | | | | | 35,000 |
| Subtotal | - | 318,000 | 100,000 | 165,000 | 270,000 |
| TOTAL – FIVE YEAR CAPITAL PLAN | \$ 1,524,400 | \$ 8,044,730 | \$ 8,775,535 | \$ 7,426,000 | \$ 10,440,500 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Seal Coat Silver 1,2, & 3 Parking Lots**

Project Number **0000015008.08**



Project Description

Seal coat parking surfaces in various lots on the LVCC campus. The scope of work will include but is not limited to: preparation of areas to be sealed, crack fillings of 1/4" and larger, three coats of sealer, and re-stripe parking areas.

Project Justification

The parking lots and roadway throughout the facility have not been resealed in the past 13 years. In certain areas cracks have formed. When water gets into these cracks it pushes up the type-2 gravel that is below the asphalt. When the type-2 gravel is pushed to the surface it allows the asphalt to sink. Eventually the lots and roadways turn to gravel with intermittent areas of asphalt, causing a safety hazard for forklifts and electric carts. The first lots and roadways to be addressed will be in FY15 with the remaining areas being sealed in subsequent fiscal years.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing asphalt repairs are approximately \$8,000 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------------|------|------|------|------|------------|
| Land Improvements | \$ 200,000 | | | | | \$ 200,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Perimeter Fencing & Gates**

Project Number **0000015009.08**



Project Description

Install access gates for selected roads/lots on LVCC campus.

Project Justification

As a means of adding security to the LVCC campus, access gates will be installed in the Gold Lot, Orange Lot, Swenson/South Road, and North Road East & West.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------------|---------|---------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | \$ 100,000 | 100,000 | 100,000 | | | \$ 300,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Surveillance Cameras**

Project Number **0000013011.09**

Project Description

During FY13 funds were approved to begin installing additional surveillance cameras in C Halls, public areas, and outdoor locations. Additional funds will be added in FY15.



Project Justification

In order to maintain the highest level of safety and security for our guests and staff it is necessary to install additional cameras.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-----------|---------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ 90,000 | 213,000 | | | | \$ 303,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **820 Desert Inn Repaving**

Project Number **0000013013.08**



Project Description

In FY13, funds were budgeted to pave the property at 820 Desert Inn Road (0.61 acres) as well as add a block wall, fencing, and gates. FY15 funding is required to compliment Clark County's installation of a right-hand turn lane; from Desert Inn Road onto Joe W. Brown Drive.

Project Justification

The lot at 820 Desert Inn is currently covered with type-2 gravel. Public Affairs uses this lot for parking as does GES staff during large shows. In addition to the safety of our staff walking on more even ground, the lot could be used for paid parking. The County will require the right turn lane which will also impact the traffic signal. The benefits to the lot will be to reduce dust control and provide additional parking to support the LVCVA operations.

Fiscal Impact

Additional parking spaces in this lot have the potential to yield upwards of \$22,000 annually. We currently spend approximately \$1,000 annually for dust control on this lot.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|---------|------|------|------|---------|
| Land Improvements | \$ | 600,000 | | | \$ | 600,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Sidewalk Replacement**

Project Number **0000014001.08**

Project Description

Replace the concrete sidewalk and corresponding landscape at the entrance to C-2 and the Grand Plaza.



Project Justification

The concrete sidewalk at the C-2 front entrance was originally installed in 1993 and, over the years, has developed widespread cracking. Engineering staff has repaired the concrete extensively and has recently reported that the concrete is lifting in several locations, causing safety concerns for guests and employees. The project requires the installation of an additional 700 square feet of concrete to replace grass in front of Freight Door 1, and an increase in the size of the existing oak tree planters on the Grand Plaza.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$5,000 annually. There is a potential loss of oak tree(s) on the Grand Plaza if planter beds are not increased in size. Damage to the grass area by Freight Door 1 will continue if not converted to concrete for use by shows and food and beverage vendors.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | \$ | 400,000 | | | | \$ 400,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Central Hall Roof Drainage**

Project Number **0000014003.09**



Project Description

Change the size and routing of storm water drainage system on C-1 and C-2 halls.

Project Justification

The Central Hall rain water system was converted to a combination aerial and underground roof drainage system when C-3 was added to C-1 and C-2. Thunderstorm water has often exceeded the capacity of the existing system causing water to back up and discharge through the cleanouts in the C-3 Concourse. This periodically causes water issues such as flooding and leaks; potentially creating a negative impact to booths during the shows.

Fiscal Impact

There have been insurance claims paid to exhibitors as a result of flooding in this area, but the potential savings is not calculable. Both weather and show schedule would determine potential loss due to flooding.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 2,500,000 | | | | \$ 2,500,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Emergency Notification System**

Project Number **0000012003.09**

Project Description

Funding will address the relocation of approximately 1,900 fire alarm strobe lights in the North and South Halls.



Project Justification

The fire alarm strobe lights, used as a visual notification system to building occupants in an emergency situation, can easily become blocked from view during shows in the North and South Halls. The blocked strobes create building and life safety code violations with government agencies and create a risk management situation for the facility. Relocating the fire alarm strobes to higher elevations will remove the life safety risk, increase client safety and satisfaction, and bring the LVCC into compliance with current building and life safety codes.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | | \$ 1,173,230 | 1,997,235 | | | \$ 3,170,465 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Tunnel Restroom Renovation**

Project Number **FY16 Project**



Project Description

Renovate restrooms in the C-3 tunnel.

Project Justification

The C-3 tunnel was not designed to match the rest of the building. This alteration is intended to provide continuity to the whole building. To be consistent with the re-design recommendations, the C-3 tunnel restrooms will be renovated. This project is modeled after the new C4.1 & C5.1 restrooms as well as the recently remodeled restrooms in the West Lobby.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 500,000 | | | | \$ 500,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Cashman Center**

Project Title **Stadium Concrete Repair**

Project Number **FY16 Project**

Project Description

Seal concrete on Club and Concourse levels, steps, seating areas and ramps leading to the patio area in front of Cashman Center's administrative offices.



Project Justification

As the concrete expands and contracts, it causes cracks and sprawling of the flat surfaces of concrete as well as on the steps. Water seepage from rain and cleaning will cause major damage as more water runs through.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$3,000 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|--------|---------|--------|---------|------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ | 25,000 | 200,000 | 25,000 | 200,000 | \$ 450,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Orange Lot Resurfacing**

Project Number **FY17 Project**



Project Description

Provide resurfacing of Orange Lots 1&2. Design is budgeted for FY17 ahead of construction in FY18.

Project Justification

In the last twenty years the asphalt in both Orange Lots 1 and 2 has endured exhibit space usage, weather, UV light damage, and pooling water which have deteriorated the asphalt surface. Additionally, multiple construction projects have removed and resurfaced areas on the Orange Lot asphalt several times making the lot visually displeasing. Continued usage will begin to increase the safety risk to staff, visitors and vehicles.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | \$ 54,000 | 700,000 | | \$ | 754,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Air Conditioning Units**

Project Number **FY17 Project**



Project Description

Upgrading 16 air handlers to fan-wall configuration, in order to provide more effective heating and cooling in halls C-1 and C-2.

Project Justification

There are 8 air handlers that provide cooling/heating in both halls, C-1 and C-2. These units have been in operation for forty plus years. They have outlived their life expectancy by 15+ years. Due to their age and design they are no longer able to meet our heating and cooling needs for these areas. Also, due to the age of this equipment they create excessive noise and cannot handle higher levels of humidity. Parts are hard to find or are no longer available. New technology will increase our heating/cooling capability in this area and give us greater control over the unit.

Fiscal Impact

Significant energy savings are expected due to newer motors and drive technology. Each air handler is estimated to save \$10,000 per year in energy charges. Belt replacement savings is estimated to be another \$4,000. Savings are based on conservative usage assumptions and do not include additional savings from improving the power factor with variable frequency drives (VFD), nor reduced demand charges.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------|--------------|-----------|-----------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | \$ 1,000,000 | 1,000,000 | 1,000,000 | \$ 3,000,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Escalator Replacement - East Lobby**

Project Number **FY17 Project**



Project Description

Replace escalators in the East Lobby; near hall C5.1.

Project Justification

The escalators in the east lobby were installed in the early 1980's. They have exceeded their life expectancy. With advances in technology since that time, there are manufacturers that replace old escalators with new units, in the same footprint; leaving structural members in place and working around them. Newer models would bring us into compliance with recent building code changes.

Fiscal Impact

The savings from more efficient units and decreased repair calls is estimated to be \$5,000 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 800,000 | | | \$ 800,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Air Conditioning Units**

Project Number **FY17 Project**



Project Description

Replace the air conditioning units in the audio equipment room and the elevator equipment room.

Project Justification

The air conditioning units that were install in the audio and elevator equipment rooms in the 2000 expansion were under sized and the heat from the equipment in these rooms are over working the current units. Thus, the units are not energy efficient. The life cycle of these units have been shorten and if they do burn out they will need to be replaced immediately or the audio and elevators will have to be shut down due to overheating.

Fiscal Impact

The energy savings from the replacement of these inefficient units will be approximately \$36,000 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 800,000 | | | \$ 800,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Orange Lot Freight Door Aprons**

Project Number **FY17 Project**



Project Description

Replace all freight doors' concrete aprons from Orange Lot 1 into Central Halls; approximately 7,200 square feet.

Project Justification

The concrete aprons in front of the freight doors 2-6, and the concrete staging areas next to the freight doors, are in need of repair and replacement. The concrete areas have suffered from heavy use, weather, pooling water and construction projects over the last several decades.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 500,000 | | | \$ 500,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **HVAC Commissioning**

Project Number **FY17 Project**

Project Description

Commissioning of HVAC Systems in all Central, North, and South Exhibit halls by outside contractor.



Project Justification

Commissioning is a process that restores the HVAC system to its original design specifications. Once completed, equipment life expectancy can be determined. When the LVCC HVAC system was installed there was only a partial commissioning of the building. Commissioning is important to ensure that the system performs per the intent and design of the engineer and provide a comfortable environment for the occupants and clients. Additionally, all of the building improvement modifications to the HVAC system can be logged during this process. Recommissioning will also give the LVCVA the ability to obtain LEED certification while extending the useful life of the equipment.

Fiscal Impact

Commissioning benefits the Authority by improving energy efficiency and reducing repair and maintenance (man hours). In many instances, obtaining a Leadership in Energy and Environment Design (LEED) certification will lower energy rates.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------|------------|---------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 340,000 | 170,000 | | \$ 510,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **South Hall Roof Drain Relining**

Project Number **FY17 Project**



Project Description

Reline 27 South Hall Roof Drains.

Project Justification

Air conditioning condensation lines in the South Hall are deteriorating. Lines are scaling, rusting and chipping; constantly blocking the flow of waste water to the main drain. Deteriorated drains are causing water backup damage in client booths.

Fiscal Impact

The potential cost of insurance settlements to exhibitors is unknown at this time.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Building Improvements | | | 300,000 | | | \$ 300,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Cashman Center**

Project Title **Parking Lot C Reseal**

Project Number **FY17 Project**



Project Description

Repair/reseal Parking Lot C.

Project Justification

Parking Lot C is the final lot to be scheduled for repairing/resealing in the most recent series. There are areas of alligating and numerous cracks.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$8,000 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | \$ 350,000 | | | | \$ 350,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Cashman Center**

Project Title **Restroom Upgrades**

Project Number **FY17 Project**



Project Description

Upgrade meeting room and exhibit hall restrooms. Design is budgeted for FY17 ahead of construction in FY18.

Project Justification

Restrooms are original to facility and have become outdated. The plumbing systems are increasingly unreliable. Design is required to ensure adherence to current building codes.

Fiscal Impact

A 15% savings in water consumption is anticipated with the installation of more efficient faucets, urinals, and toilets.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 50,000 | 350,000 | | \$ 400,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Cashman Center**

Project Title **Boiler Replacement**

Project Number **FY17 Project**

Project Description

Replace central plant main water boiler.



Project Justification

Boilers are over twenty-five years old, out of current environmental standards, and inefficient. The age of the boilers raises concerns during the heating season as to the reliability of the units. Both boilers have been re-tubed twice.

Fiscal Impact

The utilities savings from the replacement of the current boiler will be approximately \$18,000 annually (electrical and natural gas).

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|----------|------|---------|------------|-------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 8,500 | | 400,000 | | |
| Capital Improvement Program | | | | | \$ 408,500 | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Joe W. Brown Landscaping/Fencing**

Project Number **FY18 Project**



Project Description

Install landscaping and fencing along Joe W. Brown from Desert Inn Road to the North Road.

Project Justification

As part of our overall efforts to reduce water and create an inviting atmosphere for our guests, the landscaping along Joe W. Brown will be altered. Fencing around Blue Lot South will accompany this modification to further enhance our security efforts. The few areas that are landscaped were designed during the North Expansion. Power running through the planter beds occupy the majority of the planters making it difficult to properly maintain the landscape.

Fiscal Impact

The water savings from the transition to desert landscaping will be approximately \$4,100 annually.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------|------|--------|---------|------------|
| Land Improvements | | | \$ | 40,000 | 400,000 | \$ 440,000 |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Gold Lot to LVCC Entry**

Project Number **FY18 Project**

Project Description

This project would widen sidewalks, add new signage, and potentially restructure the entrance to the LVCC at the Gold Lot.



Project Justification

The sidewalks along Convention Center Drive are extremely narrow and cluttered. Widening the sidewalk alone would create a more pedestrian friendly route to the Center. By directing pedestrians to use the escalators leading to the bridge crossover would dramatically reduce congestion at the crosswalk at Paradise Road. Movement of people would be significantly faster and safer than the current set-up.

Fiscal Impact

The Las Vegas Metropolitan Police Department provides traffic officers on Paradise and Convention Center Drive, during large shows. Though the Authority does not incur that expense directly, the individual shows would see a reduction in such ancillary charges.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | \$ 1,000,000 | | \$ 1,000,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **South Halls Electrical Distribution**

Project Number **FY18 Project**

Project Description

Install floor plugs on second floor and reconfigure electrical rooms (more power) of the South Halls.



Project Justification

This project involves upgrades to the electrical distribution system (grid) of the South Hall. Exhibitors will utilize electrical receptacles embedded in the floor for service on the second level and overhead ceiling boxes and cable trays for service on the first level. Also, small electrical mezzanines will be added to the South Halls' electrical rooms to support the additional equipment required for potential expansion of the Desert Inn meeting rooms.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | \$ 30,000 | 1,040,000 | \$ 1,070,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Cashman Center**

Project Title **Secondary Water Supply**

Project Number **FY18 Project**



Project Description

Install water supply line from a different water supply zone.

Project Justification

In order to give Cashman Center better control when there is a water break on site or on Las Vegas Boulevard North, a new connection on a zone different than our current zone is necessary. This connection would allow for future expansion of Cashman Center.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------|------|-----------|---------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 50,000 | 450,000 | \$ 500,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Fire Booster Pump (Paradise)**

Project Number **FY19 Project**



Project Description

Install a fire booster pump on the South side of the North Road to increase water supply for fire control.

Project Justification

Clark County Fire Department is requiring adherence to update fire codes. As such, a pump on the dedicated water line is needed to meet this demand.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | 303,000 \$ | 303,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Restroom Upgrades**

Project Number **FY19 Project**



Project Description

Design and construct upgrades to all Central Hall restrooms.

Project Justification

The restrooms located by LVCC's northeast meeting rooms were constructed as two different projects. In 1973, four first-floor restrooms and their adjacent meeting rooms were constructed as part of the Las Vegas Convention Center Meeting Room Addition. In 1979, another four second-floor restrooms and their adjacent meeting rooms were constructed as East Meeting Rooms, Second Floor Addition. These eight restrooms, along with their adjacent meeting rooms, are among the oldest on campus. The age and extensive use of the eight restrooms no longer allow the level of operation and maintenance that the LVCVA requires for its tradeshow attendees and visitors. This project aims to remodel the four first floor restrooms; applying the same finishes used in recent restroom remodels.

Fiscal Impact

The project will yield fiscal savings in maintenance and ongoing repair of restrooms. There is a potential for lower negotiated construction costs with Turner Construction Company using a previously negotiated contract, (Construction Manager at Risk). If not completed, the northeast first-floor restrooms will remain out of code compliance, and will be neither fully functional nor pleasing in appearance to show organizers and their attendees. Due to aging fixtures, wall and floor deterioration, and plumbing problems (odor) there has been a twenty percent increase in maintenance costs for these restrooms over the past year.

| Expenditures | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-----------------------------|------|------|------|------|--------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | | |
| Capital Improvement Program | | | | | \$ 5,000,000 | \$ 5,000,000 |

DEBT SERVICE FUNDS SUMMARY

Nine of the LVCVA's outstanding debt obligations are general obligation bonds of Clark County, acting by and through the LVCVA. General obligation bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. Three of LVCVA's obligations are revenue bonds, which are secured by room taxes and the facilities revenue generated by the LVCVA.

As required by Nevada Revised Statute 244A.637 the LVCVA issued bonds to provide funding for the Nevada Department of Transportation (NDOT). A legislative mandate in 2007 required the LVCVA to contribute the lesser of \$20 million a year for a period of 30 years for debt service or a total of \$300 million in principal to NDOT for projects in Clark County. The initial issuance of \$26,455,000 was completed in August 2008. In January 2010, an additional \$99,640,000 was issued and the remaining balance of \$173,905,000 was issued in December 2010. The FY 2010 and FY 2011 issuances for NDOT funding included over \$226 million in Build America Bonds (BAB's), which are anticipated to save more than \$95 million, factoring in federal sequestration reductions, in interest expenses over the term of the bonds as a result of a federal subsidy.

As of the date of this report, the LVCVA has twelve outstanding bond issues. There are no planned issuances for FY 2015. The LVCVA is developing plans for further debt issuances related to the LVGBD.

| Obligation Name and Type | Original Issue | Semi-Annual Interest | Final Maturity | Outstanding Principal at 6/30/14 |
|-------------------------------------------|----------------|----------------------|----------------|----------------------------------|
| 3/05 Refunding Bonds (Revenue) | 118,745,000 | 3.0-5.25% | FY 2020 | \$ 91,735,000 |
| 05/07 Refunding Bonds (G.O) | 38,200,000 | 4.0-5.5% | FY 2022 | 25,045,000 |
| 11/07 Land (Revenue) | 50,000,000 | 4.0-6.0% | FY 2038 | 44,620,000 |
| 07/08 NDOT (G.O) | 26,455,000 | 4.0-5.0% | FY 2039 | 24,070,000 |
| 2010B NDOT (G.O) | 28,870,000 | 2.0-5.0% | FY 2027 | 22,735,000 |
| 2010A NDOT BABS (G.O) | 70,770,000 | 6.55-6.75% | FY 2039 | 70,770,000 |
| 2010B Refunding (G.O) | 24,650,000 | 2.0-5.0% | FY 2027 | 24,395,000 |
| 2010C NDOT BABS (G.O) | 155,390,000 | 4.0-7.0% | FY 2039 | 155,390,000 |
| 2010D NDOT (G.O) | 18,515,000 | 3.0-5.0% | FY 2016 | 8,050,000 |
| 2010E Refunding CP Bonds (Revenue) | 81,925,000 | 4.0-5.5% | FY 2041 | 81,925,000 |
| 2012A Land (G.O.) | 24,990,000 | 2.0-4.0% | FY 2033 | 24,990,000 |
| 2014 LVGBD Phase I (G.O.) | 50,000,000 | 2.0-5.0% | FY 2044 | 50,000,000 |
| Total Outstanding Principal as of 6/30/14 | | | | \$ 623,725,000 |

Monthly transfers from the general fund are made to fund interest payments due on January 1 and principal and interest payments due on July 1. These funds are invested in the interim, and interest earned on the investments is transferred back to the general fund. The budgeted ending fund balances of the debt service funds are sufficient to pay principal and interest due on the first day (July 1) of the next fiscal year. The budgeted ending fund balance in the debt service funds at June 30, 2015 is \$49.5 million. Of that balance, \$43.7 million will be used to pay principal and interest payments due on July 1, 2015. The remaining balance of \$5.8 million is restricted as security for the 2010E revenue refunding bonds per the Bond Resolution. The Reserve Fund is required to be maintained as a continuing reserve and amounts on deposit in the Reserve Fund may only be used to meet deficiencies in the Bond Fund. The remaining balance will be used for interest payments on future issuances.

DEBT SERVICE FUNDS SUMMARY

BOND ISSUE PROCESS

As a governmental entity, the LVCVA must follow Nevada Revised Statute 350.013. This statute requires filing several reports with the Debt Management Commission prior to August 1 of each year regardless if new debt is being contemplated or not. These reports include a complete statement of current general obligation debt and a report of current debt and retirement schedules, a complete statement of general obligation debt contemplated, the entity's debt management policy, and a five-year capital improvement plan.

The debt management policy must contain the following discussions:

- A discussion of ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
- A discussion of general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;
- A discussion of general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;
- Policy regarding the manner in which the municipality expects to sell the debt;
- A discussion of sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of its operational costs and revenue sources, for the ensuing five fiscal years, associated with each project included in its plan for capital improvement.

LVCVA Debt Compliance Policy

The LVCVA Debt Issuance Compliance Policy was adopted in FY 2010 and is applicable to all debt issuance activities of the LVCVA. The policy establishes the requirements and procedures for ensuring compliance with federal laws relating to the issuance and post-issuance monitoring of tax-exempt bonds and taxable Direct Pay Bonds.

Post-issuance compliance responsibilities include:

- Tracking that proceeds of a debt issuance are spent on qualified tax-exempt debt purposes;
- Maintaining detailed records of all expenditures and investments related to debt funds;
- Ensuring the project financed is used in a manner consistent with the legal requirements;
- Providing necessary disclosure information regarding financial and operating status annually.

DEBT SERVICE FUNDS SUMMARY

TOTAL DEBT SERVICE FUNDS

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------------------|
| REVENUES: | | | | |
| Interest | \$ 105,660 | \$ 77,562 | \$ 86,700 | \$ 81,500 |
| Unrealized Gain/Loss | (28,087) | (35,949) | - | - |
| Total Revenues | 77,573 | 41,613 | 86,700 | 81,500 |
| EXPENDITURES: | | | | |
| Principal | 9,085,000 | 21,595,000 | 22,650,000 | 24,800,000 |
| Interest | 33,669,341 | 32,356,717 | 31,743,475 | 38,627,587 |
| Bond Issuance Costs | - | - | - | - |
| Total Expenditures | 42,754,341 | 53,951,717 | 54,393,475 | 63,427,587 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (42,676,767) | (53,910,104) | (54,306,775) | (63,346,087) |
| OTHER FINANCING SOURCES (USES): | | | | |
| BAB's Subsidy | 5,120,976 | 4,898,214 | 2,560,488 | 2,560,488 |
| Operating Transfers In | 47,035,737 | 56,978,233 | 54,180,849 | 57,173,912 |
| Proceeds from Sale of Bond: | - | - | - | - |
| Bond Premium | - | - | - | - |
| Retirement of Debt | - | - | - | - |
| Operating Transfers Out | (97,149) | (69,938) | (842,261) | (81,500) |
| Total Other Financing Source (Uses) | 52,059,564 | 61,806,509 | 55,899,076 | 59,652,900 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | |
| | 9,382,797 | 7,896,405 | 1,592,301 | (3,693,187) |
| FUND BALANCE, BEGINNING | 34,276,224 | 43,659,021 | 51,555,426 | 53,147,727 |
| FUND BALANCE, ENDING | \$ 43,659,021 | \$ 51,555,426 | \$ 53,147,727 | \$ 49,454,540 |

DEBT SERVICE FUNDS SUMMARY

Since the LVCVA's establishment in 1959, room taxes have provided sufficient funding for debt service with no effect on operations. The economic forecast does not indicate any reversal of this trend. Annual bonded debt service requirements for the next 30 years:

| FYE | Principal (in \$) | Interest (in \$) | Total (in \$) |
|-----------|-------------------|------------------|------------------|
| 6/30/2015 | \$ 24,800,000 | \$ 32,383,145 | \$ 57,183,145 |
| 6/30/2016 | 27,665,000 | 31,409,997 | 59,074,997 |
| 6/30/2017 | 28,995,000 | 30,085,272 | 59,080,272 |
| 6/30/2018 | 30,290,000 | 28,723,461 | 59,013,461 |
| 6/30/2019 | 31,760,000 | 27,294,837 | 59,054,837 |
| 6/30/2020 | 33,240,000 | 25,775,662 | 59,015,662 |
| 6/30/2021 | 17,595,000 | 24,596,613 | 42,191,613 |
| 6/30/2022 | 18,345,000 | 23,757,728 | 42,102,728 |
| 6/30/2023 | 19,435,000 | 22,836,480 | 42,271,480 |
| 6/30/2024 | 20,290,000 | 21,833,299 | 42,123,299 |
| 6/30/2025 | 21,170,000 | 20,754,558 | 41,924,558 |
| 6/30/2026 | 22,095,000 | 19,619,637 | 41,714,637 |
| 6/30/2027 | 23,105,000 | 18,415,729 | 41,520,729 |
| 6/30/2028 | 18,750,000 | 17,274,889 | 36,024,889 |
| 6/30/2029 | 19,590,000 | 16,199,201 | 35,789,201 |
| 6/30/2030 | 20,505,000 | 15,065,830 | 35,570,830 |
| 6/30/2031 | 21,445,000 | 13,867,086 | 35,312,086 |
| 6/30/2032 | 22,450,000 | 12,592,470 | 35,042,470 |
| 6/30/2033 | 23,520,000 | 11,249,609 | 34,769,609 |
| 6/30/2034 | 22,870,000 | 9,867,634 | 32,737,634 |
| 6/30/2035 | 24,000,000 | 8,444,494 | 32,444,494 |
| 6/30/2036 | 25,175,000 | 6,949,989 | 32,124,989 |
| 6/30/2037 | 26,405,000 | 5,379,486 | 31,784,486 |
| 6/30/2038 | 27,705,000 | 3,730,192 | 31,435,192 |
| 6/30/2039 | 25,835,000 | 2,079,731 | 27,914,731 |
| 6/30/2040 | 8,160,000 | 1,067,399 | 9,227,399 |
| 6/30/2041 | 8,605,000 | 642,083 | 9,247,083 |
| 6/30/2042 | 3,145,000 | 355,768 | 3,500,768 |
| 6/30/2043 | 3,305,000 | 217,919 | 3,522,919 |
| 6/30/2044 | 3,475,000 | 73,844 | 3,548,844 |
| | \$ 623,725,000 | \$ 452,544,040 | \$ 1,076,269,040 |

Currently, the LVCVA's bonds issued through Clark County are rated "AA" by Standard and Poor's and "Aa1" by Moody's. LVCVA's underlying bond rating is "A+" issued by Standard and Poor's and "A1" issued by Moody's.

DEBT SERVICE FUNDS SUMMARY

INDIVIDUAL FY 2015 DEBT SERVICE FUNDS

| | 2005 REFUNDING FUND | BOND RESERVE FUND | 05/07 REFUNDING FUND | 11/07 LAND FUND | 08/08 NDOT FUND | 2010 B NDOT FUND | 2010 A NDOT/BABS FUND |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|----------------------------|-----------------------|-----------------------|------------------------|-----------------------------|
| REVENUES: | | | | | | | |
| Interest | \$ 10,000 | \$ 8,000 | \$ 2,000 | \$ 1,800 | \$ 1,100 | \$ 2,100 | \$ 2,300 |
| Total Revenues | <u>10,000</u> | <u>8,000</u> | <u>2,000</u> | <u>1,800</u> | <u>1,100</u> | <u>2,100</u> | <u>2,300</u> |
| EXPENDITURES: | | | | | | | |
| Principal | 13,390,000 | - | 2,625,000 | 1,060,000 | 540,000 | 2,155,000 | - |
| Interest | 4,303,988 | 6,244,439 | 1,145,987 | 2,128,836 | 1,123,285 | 918,975 | 4,721,166 |
| Total Expenditures | <u>17,693,988</u> | <u>6,244,439</u> | <u>3,770,987</u> | <u>3,188,836</u> | <u>1,663,285</u> | <u>3,073,975</u> | <u>4,721,166</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,683,988) | (6,236,439) | (3,768,987) | (3,187,036) | (1,662,185) | (3,071,875) | (4,718,866) |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| BAB's Subsidy | - | - | - | - | - | - | 826,204 |
| Operating Transfers In | 18,052,500 | - | 3,835,362 | 3,207,336 | 1,672,486 | 3,111,650 | 3,894,962 |
| Operating Transfers Out | <u>(10,000)</u> | <u>(8,000)</u> | <u>(2,000)</u> | <u>(1,800)</u> | <u>(1,100)</u> | <u>(2,100)</u> | <u>(2,300)</u> |
| Total Other Financing Source (Uses) | <u>18,042,500</u> | <u>(8,000)</u> | <u>3,833,362</u> | <u>3,205,536</u> | <u>1,671,386</u> | <u>3,109,550</u> | <u>4,718,866</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | 358,512 | (6,244,439) | 64,375 | 18,500 | 9,201 | 37,675 | - |
| FUND BALANCE, BEGINNING | <u>15,718,322</u> | <u>6,244,439</u> | <u>3,230,807</u> | <u>2,137,668</u> | <u>1,107,050</u> | <u>2,630,650</u> | <u>2,360,583</u> |
| FUND BALANCE, ENDING | <u>\$ 16,076,834</u> | <u>\$ -</u> | <u>\$ 3,295,182</u> | <u>\$ 2,156,168</u> | <u>\$ 1,116,251</u> | <u>\$ 2,668,325</u> | <u>\$ 2,360,583</u> |

DEBT SERVICE FUNDS SUMMARY

INDIVIDUAL FY 2015 DEBT SERVICE FUNDS (continued)

| | 2010 B | 2010 C | 2010 D | 2010E | DEBT SERVICE | 2012A | 2014A |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | REFUNDING | NDOT/BABS | NDOT | REFUNDING | SERVICE | LAND | DEBT SERVICE |
| | FUND | FUND | FUND | FUND | FUND | FUND | RESERVE FUND |
| REVENUES: | | | | | | | |
| Interest | \$ 700 | \$ 4,500 | \$ 3,500 | \$ 2,800 | \$ 40,000 | \$ 1,200 | \$ 1,500 |
| Total Revenues | <u>700</u> | <u>4,500</u> | <u>3,500</u> | <u>2,800</u> | <u>40,000</u> | <u>1,200</u> | <u>1,500</u> |
| EXPENDITURES: | | | | | | | |
| Principal | 90,000 | - | 3,925,000 | - | - | 1,015,000 | - |
| Interest | 1,175,300 | 9,910,195 | 304,375 | 4,140,383 | - | 716,923 | 1,793,735 |
| Total Expenditures | <u>1,265,300</u> | <u>9,910,195</u> | <u>4,229,375</u> | <u>4,140,383</u> | <u>-</u> | <u>1,731,923</u> | <u>1,793,735</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,264,600) | (9,905,695) | (4,225,875) | (4,137,583) | 40,000 | (1,730,723) | (1,792,235) |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| BAB's Subsidy | - | 1,734,284 | - | - | - | - | - |
| Operating Transfers In | 1,268,950 | 8,175,911 | 4,331,250 | 5,805,383 | - | 1,741,773 | 2,076,349 |
| Operating Transfers Out | (700) | (4,500) | (3,500) | (2,800) | (40,000) | (1,200) | (1,500) |
| Total Other Financing Source (Uses) | <u>1,268,250</u> | <u>9,905,695</u> | <u>4,327,750</u> | <u>5,802,583</u> | <u>(40,000)</u> | <u>1,740,573</u> | <u>2,074,849</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | 3,650 | - | 101,875 | 1,665,000 | - | 9,850 | 282,614 |
| FUND BALANCE, BEGINNING | <u>679,040</u> | <u>4,955,098</u> | <u>4,126,251</u> | <u>2,070,191</u> | <u>5,753,532</u> | <u>1,378,536</u> | <u>755,561</u> |
| FUND BALANCE, ENDING | <u>\$ 682,690</u> | <u>\$ 4,955,098</u> | <u>\$ 4,228,126</u> | <u>\$ 3,735,191</u> | <u>\$ 5,753,532</u> | <u>\$ 1,388,386</u> | <u>\$ 1,038,175</u> |

DEBT LIMITS AND CAPACITY

DEBT MARGIN
CLARK COUNTY, NEVADA
AS OF JUNE 30, 2013

| | Las Vegas Convention & Visitors Authority | Clark County |
|-------------------------------------------------|----------------------------------------------|-------------------|
| Approximate Assessed Valuation (1) | \$ 53,267,069,961 | \$ 53,267,069,961 |
| Bonded Debt Limit (2) | 5% | 10% |
| Statutory Debt Limitation | 2,663,353,498 | 5,326,706,996 |
| Less: | | |
| Amount of Debt Applicable to Debt Limit | 364,375,000 (3) | 1,393,040,000 (4) |
| Total General Obligation Indebtedness Available | \$ 2,298,978,498 | \$ 3,933,666,996 |

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada for FY 2013. It includes the assessed valuation of the redevelopment agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bonded indebtedness. This valuation is used to determine the LVCVA's debt margin since our debt is issued in the name of the County as described below.

(2) State statute requires debt issued by the LVCVA to be issued in the name of the County. The LVCVA's Board of Directors is empowered to issue general obligation bonds, which are secured by the full faith and credit of the County and are additionally secured by a pledge of revenues derived by the LVCVA. Nevada Revised Statute (NRS) 244A.653 states that the County may not become indebted in excess of 5 percent of the total last assessed valuation of taxable County property for the issuance of general obligation bonds designated for County recreational purposes. This requirement applies to the LVCVA.

NRS 244A.059 limits the aggregate principal amount of the County's general obligation debt to 10 percent of the County's total reported assessed valuation.

(3) The LVCVA's Outstanding General Obligation includes general obligation bonds, and medium term obligations.

(4) Clark County's Outstanding General Obligation Indebtedness includes general obligation bonds, general obligation revenue bonds, notes, and medium-term obligations.

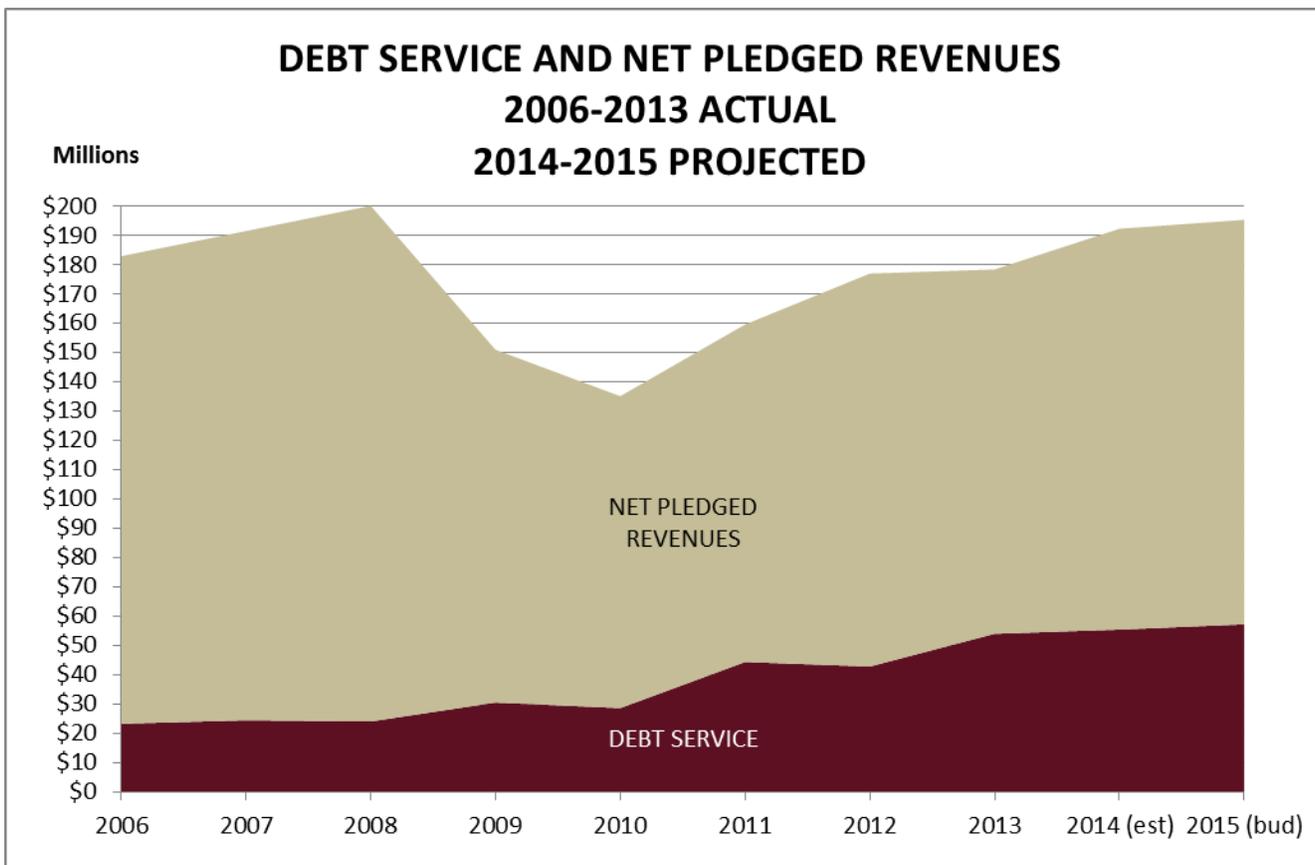
DEBT SERVICE - BOND COVERAGE

The LVCVA's bonds constitute direct and general obligations of Clark County (except for the 11/99 Bonds, the 2005 Refunding Series bonds and the 2010E Revenue Refunding Series bonds). They are additionally secured by a pledge of revenues consisting of gross revenues derived from the operation and use of facilities, plus room and gaming taxes (gross pledged revenues), less operating and maintenance expenses of the facilities and collection allocation.

Gross pledged revenues also include interest income and miscellaneous fees and charges in the general fund. Operating and maintenance expenditures include general government, global business district, and collection allocation. Also included are those global brand marketing expenditures related only to the sales effort of the Las Vegas Convention Center and Cashman Center.

| FISCAL YEAR | GROSS REVENUES | MAINTENANCE EXPENDITURES | AVAILABLE FOR DEBT SERVICE | PRINCIPAL AND INTEREST | DEBT SERVICE COVERAGE |
|-------------|----------------|--------------------------|----------------------------|------------------------|-----------------------|
| 2005 | 224,770,554 | 69,073,445 | 155,697,109 | 24,477,554 | 6.36x |
| 2006 | 253,172,523 | 70,240,449 | 182,932,074 | 23,223,268 | 7.88x |
| 2007 | 269,118,610 | 77,608,699 | 191,509,911 | 24,391,084 | 7.85x |
| 2008 | 281,918,942 | 81,762,822 | 200,156,120 | 23,989,130 | 8.34x |
| 2009 | 225,143,479 | 74,174,828 | 150,968,651 | 30,454,599 | 4.96x |
| 2010 | 200,737,368 | 65,614,509 | 135,122,859 | 28,562,969 | 4.73x |
| 2011 | 226,060,028 | 66,460,656 | 159,599,372 | 44,321,298 | 3.60x |
| 2012 | 250,820,583 | 73,815,377 | 177,005,206 | 42,754,341 | 4.14x |
| 2013 | 253,051,353 | 74,631,057 | 178,420,296 | 53,951,716 | 3.31x |
| 2014 (est) | 267,354,200 | 75,050,900 | 192,303,300 | 55,393,475 | 3.47x |
| 2015 (bud) | 273,241,900 | 77,895,600 | 195,346,300 | 57,183,146 | 3.42x |

In FY 2005 methodology in calculating Gross Revenues and Maintenance Expenditures changed to exclude revenue from capital and debt funds as well as expenditures from the capital fund.



DEBT SERVICE - HISTORICAL PERSPECTIVE

The schedule below presents a historical record of all debt issued by the LVCVA since it was established.

| DATE ISSUED | ORIGINAL ISSUE AMOUNT | INTEREST RATE | PURPOSE | STATUS | DATE RETIRED/DEFEASED |
|-------------|-----------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 2014 | 50,000,000 | 2.0-5.0% | LVGBD Phase I | Outstanding - Final Payment date FY 2044 | Outstanding |
| 2012A | 24,990,000 | 2.0-4.0% | Purchase land | Outstanding - Final Payment date FY 2032 | Outstanding |
| 2010E | 81,925,000 | 4.0-5.5% | Refund Commercial Paper | Outstanding - Final Payment date FY 2041 | Outstanding |
| 2010D | 18,515,000 | 3.0-5.0% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2016 | Outstanding |
| 2010C | 155,390,000 | 4.0-7.0% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2039 | Outstanding |
| 2010B | 53,520,000 | 2.0-5.0% | \$28,870,000 - NDOT; \$24,650,000 refund 1998A bonds | Outstanding - Final Payment date FY 2022 and FY 2027 | Outstanding |
| 2010A | 70,770,000 | 6.55-6.75% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2039 | Outstanding |
| FY 2008 | 80,000,000 | variable | Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program | Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper. | 1/31/2011 |
| 08/08 | 26,455,000 | 4.0-5.0% | Nevada Department of Transportation | Outstanding – Final payment date FY 2038. Total NDOT bonds authorized \$300,000,000 | Outstanding |
| FY 2007 | 16,000,000 | variable | Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program | Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper. | 1/31/2011 |
| 11/07 | 50,000,000 | 4.0-6.0% | Purchase land | Outstanding – Final payment date FY 2038 | Outstanding |
| 05/07 | 38,200,000 | 4.0-5.5% | Refunded 8/96 Bonds | Outstanding – Final payment date FY 2022 | Outstanding |
| 03/05 | 118,745,000 | 3.0-5.25% | Refund a portion of the 11/99 bonds | Outstanding – Final payment date FY 2020 | Outstanding |
| 05/03 | 35,075,000 | 1.2-2.1% | Refund 8/93 Bonds | Retired | 7/1/2008 |
| 11/99 | 150,000,000 | 4.8-6% | Expansion of Convention Center | Partially refunded by 3/05 – Called in FY 2011 | 6/30/2011 |
| 4/1/98B | 5,020,000 | 4.50% | Grant to the University of Nevada Las Vegas for the purpose of improvements to the Thomas and Mack Center and Sam Boyd Stadium | Retired | 7/1/2003 |

DEBT SERVICE - HISTORICAL PERSPECTIVE

Historical record continued:

| DATE ISSUED | ORIGINAL ISSUE AMOUNT | INTEREST RATE | PURPOSE | STATUS | DATE RETIRED/DEFEASED |
|-------------|-----------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------|
| 4/1/98A | 36,200,000 | 4.7-5.1% | Refund a portion of 8/1/93 and 9/1/96 bonds | Refunded by 01/10 B | 1/31/2010 |
| 9/1/1996 | 97,425,000 | 5.4-6% | Expansion of Convention Center & Cashman Center, refund 6/1/86 bonds | Partially refunded by 98A and 5/07 | 7/1/2008 |
| 8/1/1993 | 80,530,000 | 4.8-5.2% | Purchase land; refund a portion of 6/1/88 bonds | Partially refunded by 98A and 5/03 | 7/1/2003 |
| 6/1/1988 | 35,000,000 | 7-10% | Expansion of Convention Center | Partially refunded by 8/1/93 bonds | 7/1/1998 |
| 6/1/1986 | 38,240,000 | 5.9-8% | Refund portion of 12/1/82 bonds | Refunded by 9/1/96 bonds | 9/1/1996 |
| 12/1/1982 | 52,825,000 | 7-10.9% | Refund 7/73, 8/76, 7/80 and 10/80 bonds | Retired | 7/1/1993 |
| 10/1/1980 | 20,000,000 | 9% | Purchase land; expansion of East Hall and cafeteria; construction of pedestrian bridge; \$2.5 million for recreation grants | Refunded by 12/1/82 bonds | 12/1/1982 |
| 7/1/1980 | 22,000,000 | 7-8.5% | Cashman Center construction | Refunded by 12/1/82 bonds | 12/1/1982 |
| 8/31/1976 | 12,225,000 | 6.2-6.3% | Refund 5/1/75 bonds | Refunded by 12/1/82 bonds | 12/1/1982 |
| 5/1/1975 | 12,000,000 | 7-8% | East Hall and kitchen expansion; warehouse and meeting rooms annex construction | Refunded by 8/31/76 bonds | 8/31/1976 |
| 7/1/1973 | 6,960,000 | 4.5-5.3% | Refund 1/15/71 bonds | Refunded by 12/1/82 bonds | 1/1/1985 |
| 1/15/1971 | 7,500,000 | 4.5-5% | East Hall expansion - \$6,500,000; stadium construction - \$1 million | Refunded by 7/1/73 bonds | 1/15/1982 |
| 7/15/1963 | 4,790,000 | 3.50% | Refund 1/15/57 and 12/15/58 bonds | Retired | 7/15/1973 |
| 12/15/1958 | 1,000,000 | 4-4.25% | \$500,000 for construction; \$500,000 for recreation grants | Refunded by 7/15/63 bonds | 1/15/1968 |
| 1/15/1957 | 4,500,000 | 5% | Original construction of Convention Center | Refunded by 7/15/63 bonds | 1/15/1977 |

INTERNAL SERVICE FUND

Employees of state and local governments may earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. Post-employment benefits generally take the form of pensions and healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. Las Vegas Convention and Visitors Authority (LVCVA) retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums. These rate impacts are considered Other Post-Employment Benefits (OPEB).

The Governmental Accounting Standards Board (GASB) established standards for how governmental employers should account for and report on OPEB through GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB believes that OPEB is part of the compensation that employees earn each year, even though these benefits are not received until after employment has ended. Therefore, the cost of these future benefits should be reported as a part of the cost of providing public services today.

The LVCVA has complied with GASB 45 reporting standards since FY 2008 and reports our accumulating liability for future OPEB costs. However, we have continued a “pay-as-you-go” program of funding only current year premium costs, which is consistent with most other state and local governments. This practice does not provide for the compounding growth of the unfunded liability, which is reported in our annual financial statements.

Accumulating funds specifically restricted for the OPEB liability is a fiscally responsible practice and credit rating agencies will factor this action into their assessment of credit ratings. In September 2011, the Board approved a policy statement addressing OPEB and establishing a formal plan of action to fund the growing liability. The statement directs the creation of an internal service fund to account for cash held in reserve to offset the liability for post-employment benefits and establishes a target to fully fund the reserve within a ten year timeframe, which began in FY 2013 and this year’s budget continues to fund.

| | ACTUAL FY 2012 | ACTUAL FY 2013 | REVISED BUDGET FY 2014 | PROPOSED BUDGET FY 2015 | % INCREASE FY15/14 |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Interest | | \$ 6,929 | \$ 16,700 | \$ 38,700 | 132% |
| Unrealized Gain/Loss | | (33,062) | - | - | 0% |
| Miscellaneous | | - | - | - | 0% |
| Total Revenues | | (26,133) | 16,700 | 38,700 | 132% |
| EXPENDITURES: | | | | | |
| Total Expenditures | | - | - | - | 0% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | (26,133) | 16,700 | 38,700 | 132% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Operating Transfers In | | 3,000,000 | 3,000,000 | 3,500,000 | 17% |
| Total Other Financing Source (Uses) | | 3,000,000 | 3,000,000 | 3,500,000 | 17% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | 2,973,867 | 3,016,700 | 3,538,700 | 17% |
| FUND BALANCE, BEGINNING | | - | 2,973,867 | 5,990,567 | 101% |
| FUND BALANCE, ENDING | | \$ 2,973,867 | \$ 5,990,567 | \$ 9,529,267 | 59% |

SUMMARY OF PERSONNEL REQUESTS

Budget Process

In the early stages of the budget process, personnel requests along with detailed justifications and other supporting documentation are submitted. Budget meetings and further analysis result in a reduction of requests. Every effort is made to limit the number of new employees while ensuring efficient operation of the LVCVA. The positions are funded in payroll suspense and are not reflected in any division's budget. Funds are transferred from the payroll suspense account, on a semi-annual basis, to the appropriate budget as each position is filled.

The LVCVA's commitment to and investment in the organization's employees is a fundamental objective of the updated strategic business plan. In FY 2011, 67 vacant positions were eliminated from the overall number of authorized positions. The Authority held flat at the 505 position level for 3 years. It is important that we evaluate where our critical staffing needs are to ensure we continue to meet our mission to market the designation, but also to ensure the safety and security of our facilities for our meeting and tradeshow attendees. During FY 2014, 5 perimeter security officers were added to enhance safety and security. At the current time, staff feels an additional 5 perimeter security officers is a critical investment in the FY 2015 budget.

The FY 2015 budget provides funding to fill remaining vacant positions which are deemed necessary as well as the creation of five new security positions, as well as the following upgraded positions.

JUSTIFICATIONS:

Perimeter Security Officer – Historically, perimeter security officers have been part-time employees. Their primary responsibilities include: screening vehicles and pedestrians entering the campus are authorized, limiting access to vulnerable areas of the property, reporting of suspicious activities and recognizing indicators of potential terrorist activity, monitor and control parking lots, pedestrian & vehicular traffic flow, and provide directions and answering questions from guests, visitors and clients of the Authority. This will provide heightened security and protection of occupants and critical infrastructures of the campus while maintaining a high level of visibility.

PERSONNEL ALLOCATION

SUMMARY OF AUTHORIZED POSITIONS by Organizational Unit/Section

| | FYE 6/30/2011 | FYE 6/30/2012 | FYE 6/30/2013 | FYE 6/30/2014 | FYE 6/30/2015 |
|---------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <u>GENERAL GOVERNMENT</u> | 77 | 77 | 77 | 80 | 80 |
| Executive | 15 | 15 | 14 | 16 | 17 |
| Finance | 35 | 35 | 35 | 36 | 36 |
| Human Resources | 8 | 8 | 8 | 8 | 8 |
| Public Affairs | 19 | 19 | 20 | 20 | 19 |
| <u>MARKETING</u> | 125 | 125 | 125 | 83 | 83 |
| Advertising ⁵ | 1 | 1 | 1 | -- | -- |
| Convention Center Sales ¹ | 10 | 10 | 13 | -- | -- |
| Convention Sales ¹ | 26 | 26 | 24 | -- | -- |
| Global Business Sales ¹ | -- | -- | -- | 38 | 38 |
| Convention Services ² | 15 | 15 | 14 | -- | -- |
| Destination Services ³ | 4 | 4 | 3 | -- | -- |
| Digital Marketing | 9 | 9 | 9 | 7 | 7 |
| Diversity Marketing ⁴ | 1 | 1 | 1 | -- | -- |
| International Sales | 7 | 7 | 8 | 11 | 11 |
| Leisure Sales | 12 | 12 | 11 | 10 | 10 |
| Registration & Housing ² | 6 | 6 | 6 | -- | -- |
| Strategic Research & Analytics | 2 | 2 | 3 | 6 | 6 |
| Sports Marketing | 3 | 3 | 2 | 2 | 2 |
| Industry Relations (was Strategic Planning) | 3 | 3 | 7 | 4 | 4 |
| Visitor Information ² | 26 | 26 | 23 | -- | -- |
| Call Center | -- | -- | -- | -- | -- |
| Brand Strategy ⁵ | -- | -- | -- | 5 | 5 |
| <u>GLOBAL BUSINESS DISTRICT</u> | 303 | 303 | 303 | 347 | 352 |
| Client Services | 112 | 112 | 112 | 112 | 112 |
| Customer Experience | 2 | 2 | 2 | 4 | 4 |
| Convention Services ² | -- | -- | -- | 15 | 15 |
| Registration ² | -- | -- | -- | 5 | 5 |
| Visitor Information ² | -- | -- | -- | 19 | 19 |
| Engineering | 101 | 101 | 100 | 100 | 100 |
| Facility Projects | 5 | 5 | 5 | 4 | 4 |
| Information Technology | 13 | 13 | 14 | 13 | 13 |
| Fire Prevention (was Safety) | 17 | 17 | 17 | 5 | 5 |
| Security | 34 | 34 | 36 | 47 | 47 |
| Traffic | 19 | 19 | 17 | 23 | 28 |
| <u>TOTAL LVCVA</u> | 505 | 505 | 505 | 510 | 515 |

In FY 2011, Call Center was consolidated into the Visitor Information and Registration & Housing Sections. The new Strategic Planning Department, now Industry Relations was added.

In FY 2014, an Authority-wide strategic realignment took place. The Operations Division was renamed Global Business District. Multiple departments were affected:

- 1 Convention Center Sales and Convention Sales were merged into Global Business Sales, still within Marketing.
- 2 Convention Services, Registration & Housing, and Visitor Information were moved to the Global Business District division.
- 3 Destination Services was split between the Strategic Research & Analytics (Marketing) and Customer Experience (Global Business District)
- 4 Diversity Marketing was moved into Global Business Sales, still within Marketing.
- 5 Brand Strategy was created within Marketing and the Advertising personnel function was moved into the department.

PERSONNEL ALLOCATION

CUSTOMER EXPERIENCE - CUSTOMER EXPERIENCE 4

| | |
|----------------------------------------|---|
| Vice President of Customer Experience | 1 |
| Senior Manager of Destination Services | 1 |
| Customer Experience Manager | 1 |
| Administrative Assistant | 1 |

CUSTOMER EXPERIENCE - CONVENTION SERVICES 15

| | |
|---------------------------------------|---|
| Director of Convention Services | 1 |
| Convention Services Manager | 9 |
| Associate Convention Services Manager | 1 |
| Leasing Administrator | 1 |
| Administrative Secretary | 1 |
| Secretary | 2 |

CUSTOMER EXPERIENCE - REGISTRATION 5

| | |
|----------------------------------|---|
| Registration Services Manager | 1 |
| Registration Services Supervisor | 2 |
| Administrative Specialist | 2 |

CUSTOMER EXPERIENCE - VISITOR INFORMATION 19

| | |
|-----------------------------------------|---|
| Visitor Information Supervisor | 1 |
| Visitor Information Center Supervisor | 4 |
| Visitor Information Services Supervisor | 1 |
| Administrative Specialist | 1 |
| Visitor Information Clerk | 4 |
| Visitor Information Specialist | 8 |

OPERATIONS - FACILITY PROJECTS 4

| | |
|-------------------------------------|---|
| Senior Manager of Facility Projects | 1 |
| Project Manager | 2 |
| Project Analyst | 1 |

OPERATIONS - INFORMATION TECHNOLOGY 13

| | |
|------------------------------------|---|
| Director of Information Technology | 1 |
| Network Supervisor | 1 |
| Support Services Supervisor | 1 |
| Systems Development Supervisor | 1 |
| Telecommunications Supervisor | 1 |
| Senior Web Developer | 1 |
| Programmer Analyst | 1 |
| Systems Administration Specialist | 1 |
| Information Technology Coordinator | 1 |
| Portable Systems Technician | 1 |
| Senior Help Desk Specialist | 2 |
| Systems Technician | 1 |

OPERATIONS - TRAFFIC 28

| | |
|-----------------------------------|----|
| Traffic Manager | 1 |
| Administrative Traffic Supervisor | 1 |
| Traffic Field Supervisor | 2 |
| Security Sergeant | 2 |
| Security Officer | 12 |
| Perimeter Security Supervisor | 2 |
| Perimeter Security Officer | 8 |

OPERATIONS - FIRE PREVENTION 5

| | |
|-----------------------------|---|
| Fire Prevention Manager | 1 |
| Fire Prevention Coordinator | 3 |
| Life Systems Coordinator | 1 |

OPERATIONS - CLIENT SERVICES 112

| | |
|-----------------------------|----|
| Director of Client Services | 1 |
| Services Manager | 2 |
| Services Supervisor | 10 |
| Administrative Secretary | 1 |
| Service Worker | 47 |
| Custodian | 51 |

OPERATIONS - ENGINEERING 100

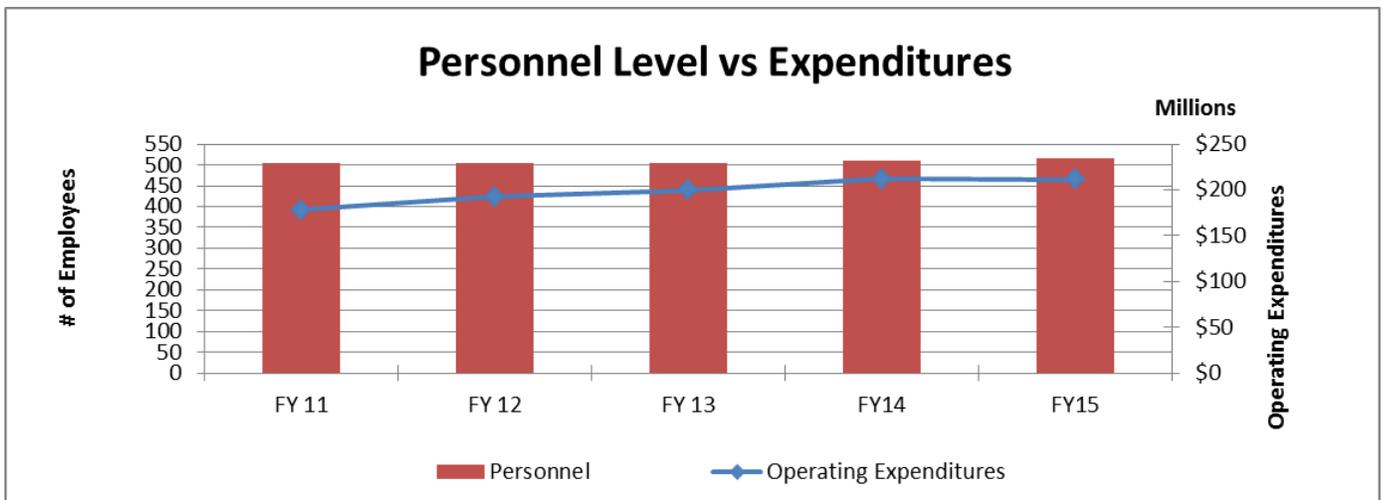
| | |
|------------------------------------|----|
| Director of Engineering | 1 |
| Director of Facility Operations | 1 |
| Senior Manager of Engineering | 2 |
| Grounds Manager | 1 |
| CMMS Administrator | 1 |
| Building Engineer Supervisor | 1 |
| Communications Supervisor | 1 |
| Electrician Supervisor | 1 |
| Engineering Maintenance Supervisor | 3 |
| Exterior Engineering Supervisor | 1 |
| Facility Support Supervisor | 1 |
| Graphics Supervisor | 1 |
| HVAC Supervisor | 1 |
| Mechanic/Welder Supervisor | 1 |
| Plumber Supervisor | 1 |
| Engineering Assistant Supervisor | 1 |
| Grounds Supervisor | 2 |
| Administrative Secretary | 2 |
| CMMS Coordinator | 1 |
| Building Engineer | 13 |
| Carpenter | 5 |
| Communications Technician | 7 |
| Damage Assessment Technician | 1 |
| Electrician | 8 |
| Exterior Engineer | 2 |
| Facility Support Technician | 2 |
| Graphics Technician | 2 |
| HVAC Technician | 9 |
| Mechanic | 1 |
| Mechanic/Welder | 5 |
| Painter | 6 |
| Plumber | 6 |
| Groundskeeper | 9 |

OPERATIONS - SECURITY 47

| | |
|---------------------------|----|
| Director of Security | 1 |
| Safety Manager | 1 |
| Canine Supervisor | 1 |
| Control Center Supervisor | 1 |
| Security Sergeant | 5 |
| Administrative Secretary | 1 |
| Surveillance Investigator | 2 |
| Security Officer | 26 |
| Secretary | 1 |
| Security Dispatcher | 8 |

PERSONNEL ALLOCATION

| | | | |
|--------------------------------------------------------------|----------|--------------------------------------------|-----------|
| BRAND STRATEGY - SPORTS MARKETING | 2 | GLOBAL BUSINESS SALES | 38 |
| Director of Sports Marketing | 1 | Vice President of Global Business Sales | 1 |
| Administrative Secretary | 1 | Senior Director of Business Sales | 2 |
| | | Director of Regional Sales - Chicago | 1 |
| BRAND STRATEGY - DIGITAL MARKETING | 7 | Director of Regional Sales - Wash DC | 1 |
| Director of Digital Engagement | 1 | Diversity and Cultural Marketing Manager | 1 |
| Director of Digital Marketing | 1 | Medical & Wellness Tourism Manager | 1 |
| Database Marketing Manager | 1 | Sales Executive | 12 |
| Database Marketing Administrator | 1 | Sales Executive - Chicago | 2 |
| Digital Marketing Coordinator | 1 | Sales Executive - Wash DC | 3 |
| Database Marketing Coordinator | 2 | Administrative Assistant | 1 |
| | | Administrative Secretary | 2 |
| BRAND STRATEGY - BRAND STRATEGY | 5 | Administrative Secretary - Chicago | 1 |
| Vice President of Brand Strategy | 1 | Administrative Secretary - Wash DC | 1 |
| Director of Advertising | 1 | Secretary - Chicago | 1 |
| Public Relations Manager/Leisure | 1 | Secretary - Wash DC | 1 |
| Administrative Assistant | 1 | Secretary | 7 |
| Advertising Coordinator | 1 | | |
| BRAND STRATEGY - STRATEGIC RESEARCH AND ANALYTICS | 6 | INTERNATIONAL SALES - LEISURE SALES | 10 |
| Senior Director of Strategic Research and Analytics | 1 | Senior Director of Leisure Sales | 1 |
| Senior Manager of Research | 1 | Senior Manager of Extended Destinations | 1 |
| Digital Marketing Analyst | 1 | Sales Executive | 4 |
| Research Analyst | 2 | Sales Executive - Extended Destinations | 1 |
| Administrative Secretary | 1 | Administrative Secretary | 1 |
| | | Secretary - Extended Destinations | 1 |
| INDUSTRY RELATIONS | 4 | Secretary | 1 |
| Senior Director of Industry Relations | 1 | INTERNATIONAL SALES - INTERNATIONAL | 8 |
| Director of Business Partnerships | 1 | Vice President of International Marketing | 1 |
| Administrative Secretary | 1 | Director of International Sales | 1 |
| Event Coordinator | 1 | Sales Executive | 3 |
| | | Administrative Coordinator | 1 |
| GLOBAL LEISURE SALES - INTERNATIONAL PUBLIC RELATIONS | 3 | Administrative Secretary | 1 |
| Director of International Public Relations | 1 | Secretary | 1 |
| Internal Public Relations Manager | 1 | | |
| Administrative Secretary | 1 | | |



PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS

The FY 2015 salary schedule, which begins on July 1, 2014 is below.

| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) |
|-------|--------------------------------------------|----------------|-----------------------|
| 9 | Custodian | B | 29,140.80 - 43,243.20 |
| 9 | Perimeter Security Officer | B | |
| 12 | Mail Clerk | B | 32,843.20 - 48,588.80 |
| 13 | Administrative Specialist | B | 34,132.80 - 50,440.00 |
| 13 | Visitor Information Clerk | B | |
| 13 | Visitor Information Specialist | B | |
| 14 | Copy Center Specialist | B | 35,484.80 - 52,540.80 |
| 14 | Perimeter Security Supervisor | B | |
| 14 | Service Worker | B | |
| 15 | Security Dispatcher | B | 36,961.60 - 54,724.80 |
| 16 | Assistant to the Board | NB | 38,480.00 - 56,846.40 |
| 16 | Database Marketing Coordinator | B | |
| 16 | Distribution Center Specialist | B | |
| 16 | Purchasing Specialist | NB | |
| 16 | Secretary | B | |
| 16 | Secretary—Chicago, WDC & Ext. Destinations | NB | |
| 16 | Systems Support Specialist | NB | |
| 17 | Groundskeeper | B | 39,915.20 - 59,009.60 |
| 17 | Security Officer | B | |
| 18 | Business Marketing Specialist | NB | 41,475.20 - 61,422.40 |
| 18 | Events Coordinator | NB | |
| 18 | Photographer | B | |
| 18 | Purchasing Assistant | B | |
| 18 | Records Management Specialist | NB | |
| 18 | Surveillance Investigator | NB | |
| 18 | Video Specialist | B | |
| 20 | Accounting Technician | B | 44,886.40 - 66,539.20 |
| 20 | Administrative Secretary | NB | |
| 20 | Advertising Coordinator | NB | |
| 20 | Archivist | NB | |
| 20 | Building Engineer | B | |
| 20 | Carpenter | B | |
| 20 | CMMS Coordinator | NB | |
| 20 | Communications Technician | B | |
| 20 | Contracts Coordinator | NB | |
| 20 | Damage Assessment Technician | B | |
| 20 | Electrician | B | |
| 20 | Exterior Engineer | B | |
| 20 | Facility Support Technician | B | |
| 20 | Graphics Technician | B | |
| 20 | Human Resources Analyst | NB | |
| 20 | HVAC Technician | B | |
| 20 | Lead Photographer | B | |
| 20 | Mail Room/Copy Center Coordinator | B | |
| 20 | Mechanic | B | |
| 20 | Mechanic/Welder | B | |
| 20 | Painter | B | |
| 20 | Plumber | B | |

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) |
|-------|-----------------------------------------|----------------|-----------------------|
| 22 | Administrative Assistant | NB | 48,588.80 - 71,905.60 |
| 22 | Administrative Traffic Supervisor | NB | |
| 22 | Analyst | NB | |
| 22 | Benefits Coordinator | NB | |
| 22 | Canine Supervisor | NB | |
| 22 | Control Center Supervisor | NB | |
| 22 | Engineering Assistant Supervisor | B | |
| 22 | Grounds Supervisor | B | |
| 22 | Information Technology Coordinator | NB | |
| 22 | Lead Accountant | NB | |
| 22 | Lead Accounting Technician | B | |
| 22 | Lead Payroll Technician | NB | |
| 22 | Media Specialist | NB | |
| 22 | News Bureau Assistant | NB | |
| 22 | Portable Systems Technician | NB | |
| 22 | Registration Services Supervisor | NB | |
| 22 | Security Sergeant | B | |
| 22 | Senior Help Desk Specialist | NB | |
| 22 | Services Supervisor | B | |
| 22 | Staff Auditor | NB | |
| 22 | Systems Technician | NB | |
| 22 | Traffic Field Supervisor | NB | |
| 22 | Visitor Information Center Supervisor | NB | |
| 22 | Visitor Information Services Supervisor | NB | |
| 23 | Administrative Coordinator | NB | 50,440.00 - 74,755.20 |
| 23 | Contracts Administrator | NB | |
| 23 | Database Marketing Administrator | NB | |
| 23 | Digital Marketing Coordinator | NB | |
| 23 | Executive Assistant | NB | |
| 23 | Executive Assistant to the Board | NB | |
| 23 | Leasing Administrator | NB | |
| 24 | Transportation Coordinator | NB | 52,540.80 - 77,812.80 |
| 25 | Building Engineer Supervisor | B | 54,724.80 - 80,932.80 |
| 25 | Communications Supervisor | B | |
| 25 | Electrician Supervisor | B | |
| 25 | Engineering Maintenance Supervisor | B | |
| 25 | Exterior Engineering Supervisor | B | |
| 25 | Facility Support Supervisor | B | |
| 25 | Fire Prevention Coordinator | B | |
| 25 | Graphics Supervisor | B | |
| 25 | HVAC Supervisor | B | |
| 25 | Life Systems Coordinator | B | |
| 25 | Mechanic/Welder Supervisor | B | |
| 25 | Plumber Supervisor | B | |
| 25 | Project Analyst | NB | |
| 25 | Research Analyst | NB | |
| 25 | Visitor Information Supervisor | NB | |

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

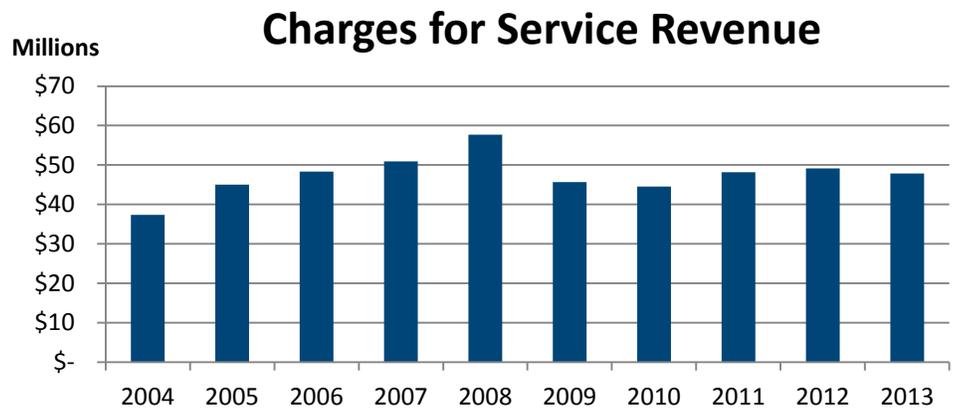
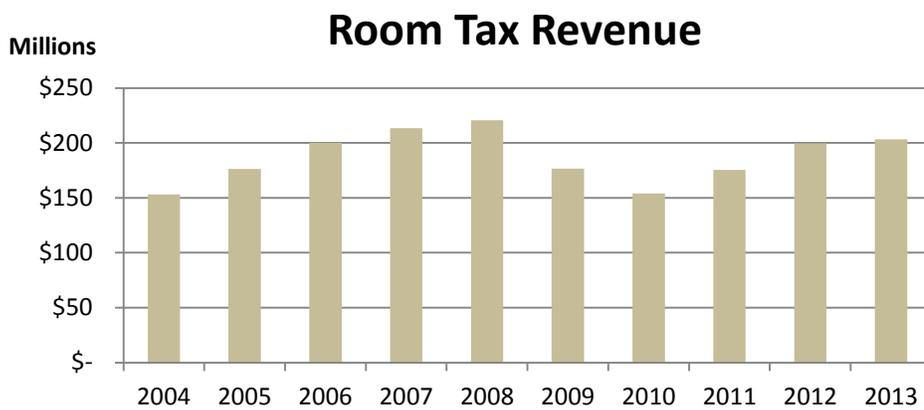
| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) |
|-------|--------------------------------------|----------------|-------------------------|
| 26 | Digital Marketing Analyst | NB | 56,846.40 - 84,219.20 |
| 26 | Financial Analyst | NB | |
| 26 | Internal Auditor | NB | |
| 29 | CMMS Administrator | NB | 63,897.60 - 94,723.20 |
| 29 | Executive Assistant to the President | NB | |
| 29 | Financial Systems Administrator | NB | |
| 29 | Human Resources Administrator | NB | |
| 29 | Programmer Analyst | NB | |
| 29 | Senior Financial Analyst | NB | |
| 29 | Systems Administration Specialist | NB | |
| 31 | Senior Web Developer | NB | 69,139.20 - 102,460.80 |
| 32 | Network Supervisor | NB | 71,905.60 - 106,475.20 |
| 32 | Support Services Supervisor | NB | |
| 32 | Systems Development Supervisor | NB | |
| 32 | Telecommunications Supervisor | NB | |
| M5 | Manager | M | 55,619.20 - 86,091.20 |
| M4 | Manager | M | 63,980.80 - 99,028.80 |
| M3 | Senior Manager | M | 73,569.60 - 113,880.00 |
| M2 | Director | M | 82,846.40 - 128,148.80 |
| M1 | Senior Director | M | 91,520.00 - 141,336.00 |
| E4 | Vice President | E | 104,457.60 - 187,740.80 |
| E3 | Senior Vice President | E | 132,891.20 - 239,283.20 |
| E2 | Executive Vice President | E | 142,812.80 - 255,174.40 |
| E1 | President/CEO | E | 204,089.60 - 382,782.40 |

STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only revenues earned in the general fund. It does not include other financing sources such as operating transfers into the general fund or sale of fixed assets. The percentage shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

| Fiscal Year | Total Revenues | Room Taxes | | Charges for Service | | Gaming Fees | | Interest & Other |
|-------------|----------------|----------------|------|---------------------|------|--------------|-----|------------------|
| 2004 | \$ 193,181,748 | \$ 153,119,151 | 17% | \$ 37,353,827 | 8% | \$ 1,914,920 | 2% | \$ 793,850 |
| 2005 | 224,770,553 | 176,339,258 | 15% | 45,056,357 | 21% | 1,861,748 | -3% | 1,513,190 |
| 2006 | 253,172,521 | 200,086,827 | 13% | 48,359,639 | 7% | 1,963,608 | 5% | 2,762,447 |
| 2007 | 269,118,610 | 213,256,076 | 7% | 50,916,320 | 5% | 1,949,332 | -1% | 2,996,882 |
| 2008 | 281,918,942 | 220,733,128 | 4% | 57,689,079 | 13% | 1,851,848 | -5% | 1,644,887 |
| 2009 | 225,143,479 | 176,726,992 | -20% | 45,640,631 | -21% | 2,101,166 | 13% | 674,689 |
| 2010 | 200,737,367 | 154,046,265 | -13% | 44,535,733 | -2% | 1,960,431 | -7% | 194,938 |
| 2011 | 226,060,028 | 175,425,978 | 14% | 48,158,659 | 8% | 1,919,186 | -2% | 556,204 |
| 2012 | 250,820,583 | 199,592,498 | 14% | 49,168,968 | 2% | 1,813,548 | -6% | 245,569 |
| 2013 | 253,051,353 | 203,196,429 | 2% | 47,846,895 | -3% | 1,831,589 | 1% | 176,440 |

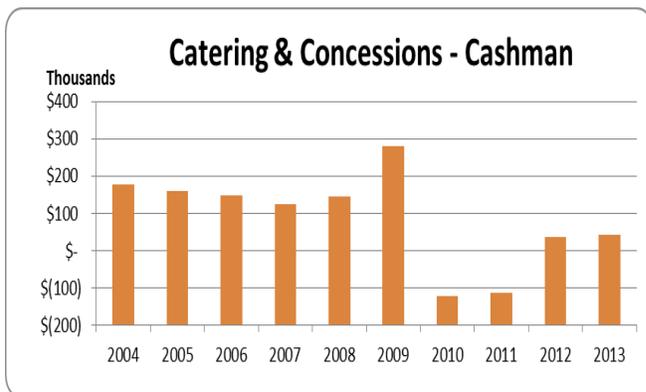
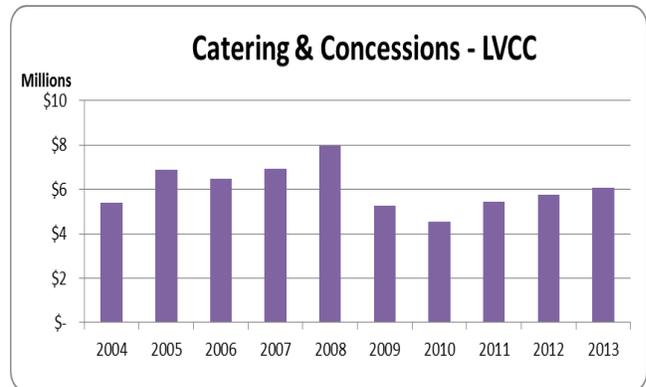
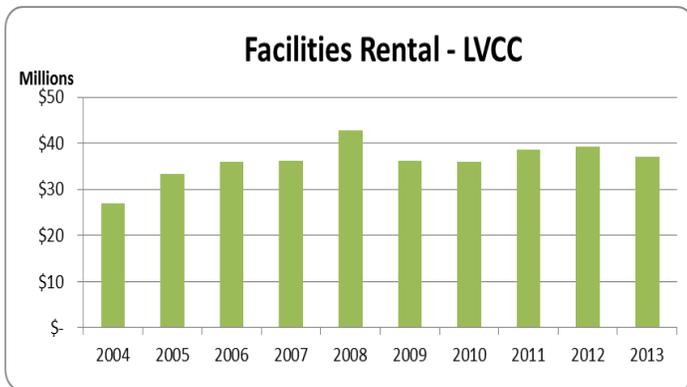


STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of "Charges for Service" are shown below: the percentages shown in the column boxes indicate the percent increase or decrease for that column compared to the preceding year.

| Fiscal Year | Total Revenues | CONVENTION CENTER | | | | CASHMAN CENTER | | | | |
|-------------|----------------|-------------------|------|------------------------|------|-------------------|------|------------------------|----------------------|--------------|
| | | Facilities Rental | | Catering & Concessions | | Facilities Rental | | Catering & Concessions | Other Fees & Charges | |
| 2004 | \$ 37,353,827 | \$ 27,053,317 | 5% | \$ 5,415,860 | 27% | \$ 1,980,546 | 3% | 178,041 | 23% | \$ 2,726,063 |
| 2005 | 45,056,357 | 33,406,123 | 23% | 6,899,231 | 27% | 1,895,910 | -4% | 159,447 | -10% | 2,695,646 |
| 2006 | 48,359,639 | 36,089,748 | 8% | 6,493,289 | -6% | 1,968,685 | 4% | 146,953 | -8% | 3,660,964 |
| 2007 | 50,916,320 | 36,280,156 | <1% | 6,917,274 | 7% | 2,182,678 | 11% | 124,392 | -15% | 5,411,820 |
| 2008 | 57,689,079 | 42,873,520 | 18% | 7,974,530 | 15% | 2,102,463 | -4% | 144,345 | 16% | 4,594,221 |
| 2009 | 45,640,631 | 36,227,413 | -16% | 5,247,263 | -34% | 1,428,416 | -32% | 281,434 | 95% | 2,456,105 |
| 2010 | 44,535,733 | 36,002,880 | -1% | 4,547,121 | -13% | 1,511,102 | 6% | (121,721) | -143% | 2,596,351 |
| 2011 | 48,158,659 | 38,688,753 | 7% | 5,468,941 | 20% | 1,597,635 | 6% | (113,475) | 7% | 2,516,805 |
| 2012 | 49,168,968 | 39,256,965 | 1% | 5,747,299 | 5% | 1,716,416 | 7% | 36,267 | 132% | 2,412,021 |
| 2013 | 47,846,895 | 37,165,086 | -5% | 6,063,135 | 5% | 1,772,441 | 3% | 42,774 | 18% | 2,803,458 |



STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only expenditures in the general fund. It does not include other uses such as operating transfers for special revenue, debt service or capital project funds. The percentages shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

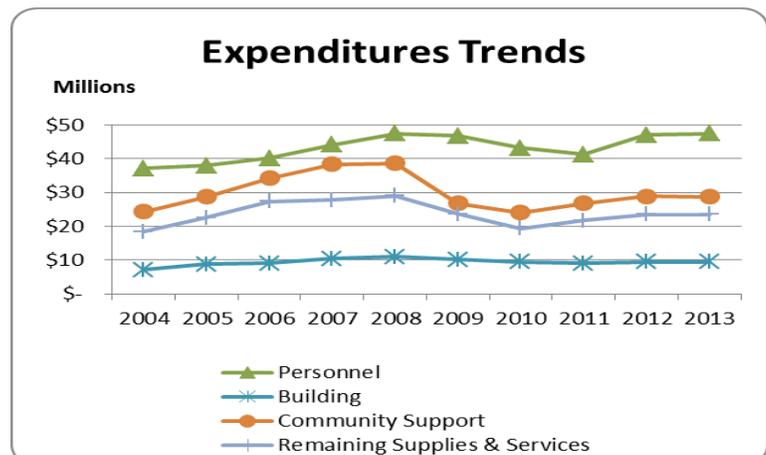
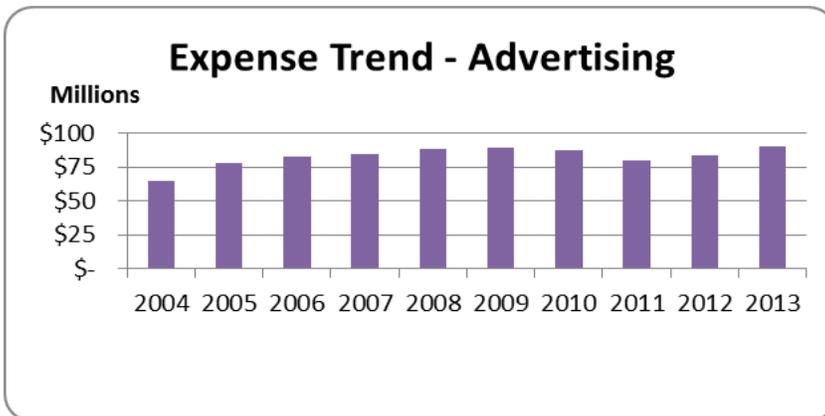
| Fiscal Year | Total Expenditures | Personnel | Advertising | Building | Community Support | Remaining Supplies & Services |
|-------------|--------------------|---------------|---------------|------------|-------------------|-------------------------------|
| 2004 | \$ 151,864,095 | \$ 37,113,372 | \$ 64,831,141 | 7,142,396 | \$ 24,388,640 | \$ 18,388,546 |
| 2005 | 176,076,252 | 37,988,620 | 78,027,753 | 8,712,917 | 28,753,093 | 22,593,869 |
| 2006 | 193,486,005 | 40,185,913 | 82,732,989 | 9,014,010 | 34,248,193 | 27,304,900 |
| 2007 | 205,278,234 | 44,145,739 | 84,506,694 | 10,474,091 | 38,416,171 | 27,735,539 |
| 2008 | 214,001,753 | 47,513,648 | 87,857,388 | 10,934,926 | 38,640,536 | 29,055,255 |
| 2009 | 196,747,731 | 46,804,234 | 89,342,627 | 10,151,104 | 26,802,232 | 23,647,534 |
| 2010 | 183,028,495 | 43,202,760 | 86,924,843 | 9,413,393 | 24,088,340 | 19,399,157 |
| 2011 | 178,389,411 | 41,324,899 | 79,423,380 | 9,041,566 | 26,842,989 | 21,756,577 |
| 2012 | 192,381,692 | 47,003,176 | 83,539,239 | 9,471,115 | 28,854,382 | 23,513,780 |
| 2013 | 199,569,062 | 47,428,784 | 90,466,753 | 9,467,068 | 28,736,573 | 23,469,884 |

(A) The column labeled "Personnel" includes salaries and employee benefits.

(B) Advertising includes only the services and supplies.

(C) The "Building" column includes repairs and maintenance (excludes computers and portable equipment), utilities, and insurance costs for the Convention Center and Cashman Center. Many repair and maintenance items can only be performed when the buildings are empty which results in fluctuating costs from year to year.

(D) The "Community Support" column includes collection allocation, grants, and special events.

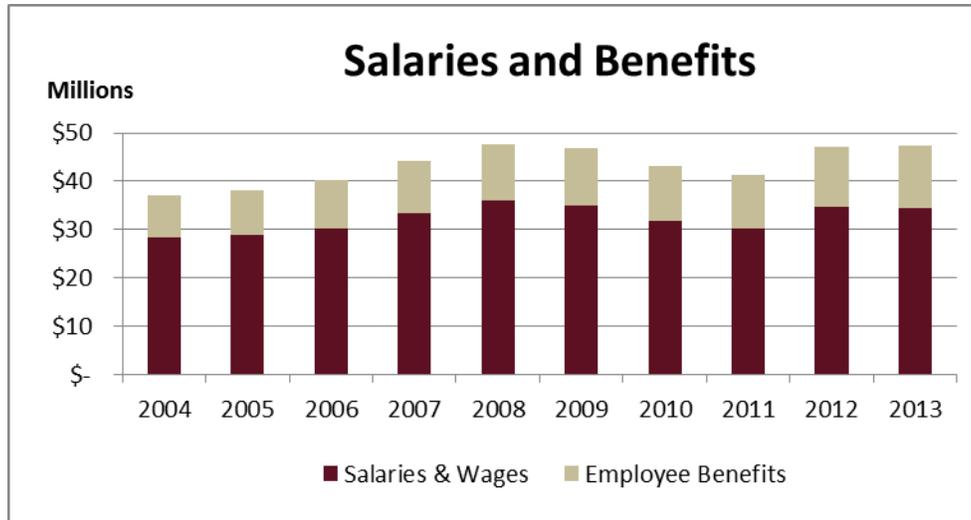


STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of personnel expenditures are shown below. The percentages shown in the column boxes indicate the percent of increase for that column compared to the preceding year.

| Fiscal Year | Personnel Expenditures | Salaries & Wages | | Employee Benefits | | Benefits as a Percent of Salaries |
|-------------|------------------------|------------------|-----|-------------------|-----|-----------------------------------|
| | | | | | | |
| 2004 | \$ 37,113,372 | \$ 28,220,780 | 2% | \$ 8,881,472 | 10% | 31% |
| 2005 | 37,988,620 | 28,746,860 | 2% | 9,231,120 | 4% | 32% |
| 2006 | 40,185,913 | 30,285,223 | 5% | 9,900,690 | 7% | 33% |
| 2007 | 44,145,739 | 33,251,674 | 10% | 10,894,065 | 10% | 33% |
| 2008 | 47,513,648 | 35,931,995 | 8% | 11,581,653 | 6% | 32% |
| 2009 | 46,804,234 | 34,897,735 | -3% | 11,906,499 | 3% | 34% |
| 2010 | 43,202,760 | 31,685,192 | -9% | 11,517,568 | -3% | 36% |
| 2011 | 41,324,899 | 30,243,257 | -5% | 11,081,642 | -4% | 37% |
| 2012 | 47,003,176 | 34,722,818 | 15% | 12,280,358 | 11% | 35% |
| 2013 | 47,428,784 | 34,333,989 | -1% | 13,094,795 | 7% | 38% |



STATISTICAL DATA

USE OF FACILITIES LAST TEN FISCAL YEARS

The number of convention delegates visiting Las Vegas is related to a rise in total conventions held in the Las Vegas area. While many of those conventions and events are held at resort hotels, the LVCVA has also benefited from activities held at the Las Vegas Convention Center and Cashman Center. Facilities usage revenue does not include catering/concessions revenues or reimbursed services.

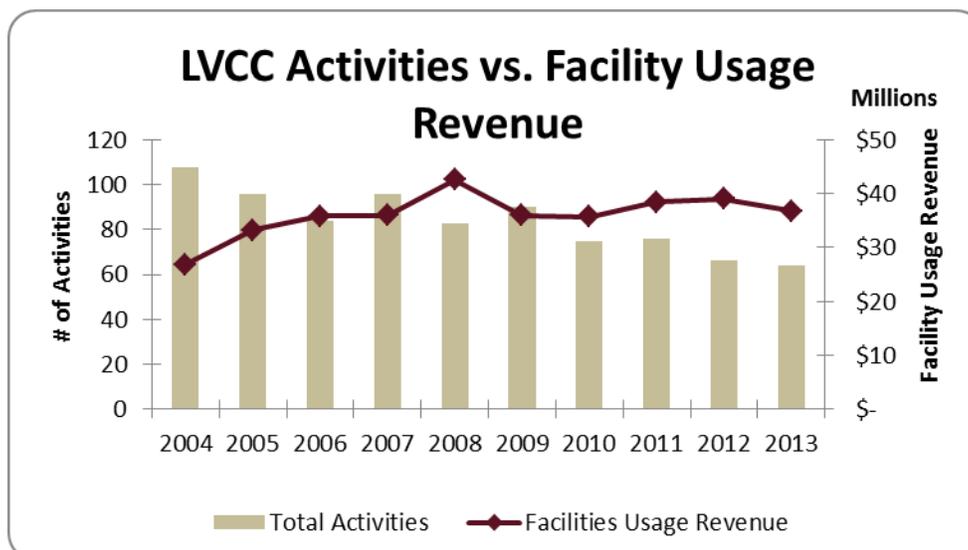
LAS VEGAS CONVENTION CENTER - BUILDING UTILIZATION

| <u>FISCAL</u> <u>YEAR</u> | <u>CONVENTIONS</u> | <u>EVENTS</u> | <u>MEETINGS</u> | <u>TOTAL</u> <u>ACTIVITIES</u> | <u>FACILITIES</u> <u>USAGE</u> <u>REVENUE</u> |
|------------------------------|--------------------|---------------|-----------------|-----------------------------------|-----------------------------------------------------|
| 2004 | 80 | 4 | 24 | 108 | \$ 26,877,290 |
| 2005 | 74 | 12 | 10 | 96 | 33,244,601 |
| 2006 | 84 | 12 | 10 | 106 | 35,825,314 |
| 2007 | 78 | 15 | 3 | 96 | 35,961,983 |
| 2008 | 66 | 12 | 5 | 83 | 42,587,445 |

In FY 2011, the methodology used in determining the event category was updated in order to be more specific regarding events other than conventions and tradeshows. Historical data going back two years was adjusted under the new method.

| <u>FISCAL</u> <u>YEAR</u> | <u>CONVENTIONS /</u> <u>TRADESHOWS</u> | <u>SPECIAL</u> <u>EVENTS</u> | <u>PUBLIC</u> <u>INVITED</u> <u>EVENTS</u> | <u>LOCAL</u> <u>MEETINGS</u> | <u>TOTAL</u> <u>ACTIVITIES</u> | <u>FACILITIES</u> <u>USAGE</u> <u>REVENUE</u> |
|------------------------------|-------------------------------------------|---------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------|-----------------------------------------------------|
| 2009 | 68 | 11 | 4 | 7 | 90 | \$ 35,951,249 |
| 2010 | 64 | 7 | 2 | 2 | 75 | 35,783,911 |
| 2011 | 60 | 8 | 3 | 5 | 76 | 38,483,619 |
| 2012 | 53 | 7 | 3 | 3 | 66 | 39,022,683 |
| 2013 | 47 | 9 | 7 | 1 | 64 | 36,854,055 |

Source: Las Vegas Convention and Visitors Authority – Strategic Research & Analytics and Finance departments



STATISTICAL DATA

USE OF FACILITIES LAST TEN FISCAL YEARS (continued)

CASHMAN CENTER - BUILDING UTILIZATION

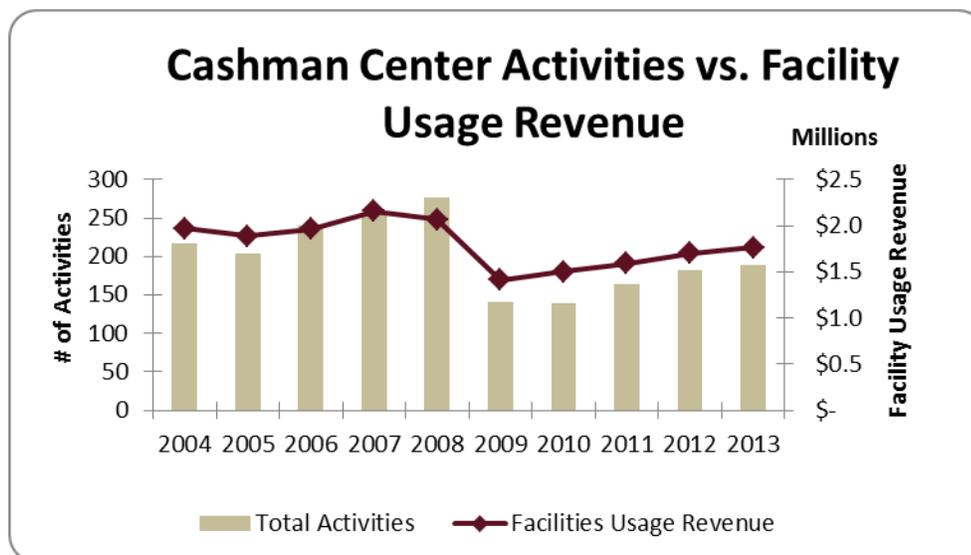
| FISCAL YEAR | CONVENTIONS | EVENTS | MEETINGS | TOTAL ACTIVITIES | FACILITIES |
|----------------|-------------|--------|----------|---------------------|------------------|
| | | | | | USAGE REVENUE |
| 2004 | 4 | 136 | 77 | **217 | \$ 1,971,544 |
| 2005 | 6 | 135 | 62 | 203 | 1,884,378 |
| 2006 | 4 | 137 | 99 | 240 | 1,966,013 |
| 2007 | 4 | 158 | 95 | 257 | 2,157,445 |
| 2008 | 2 | 163 | 112 | 277 | 2,069,376 |

**2004 activity counts are based on an updated methodology that removes in-house meeting room events such as internal meetings and employee events.

In FY 2011, the methodology used in determining the event category was updated in order to be more specific regarding events other than conventions and tradeshow. Historical data going back two years was adjusted under the new method.

| FISCAL YEAR | CONVENTIONS / TRADESHOWS | SPECIAL EVENTS | PUBLIC | LOCAL MEETINGS | TOTAL ACTIVITIES | FACILITIES |
|----------------|-----------------------------|-------------------|-------------------|-------------------|---------------------|------------------|
| | | | INVITED EVENTS | | | USAGE REVENUE |
| 2009 | 0 | 11 | 91 | 38 | 140 | \$ 1,412,766 |
| 2010 | 1 | 6 | 94 | 38 | 139 | 1,497,930 |
| 2011 | 1 | 3 | 124 | 36 | 164 | 1,592,040 |
| 2012 | 1 | 2 | 142 | 38 | 183 | 1,699,204 |
| 2013 | 2 | 3 | 149 | 35 | 189 | 1,760,894 |

Source: Las Vegas Convention and Visitors Authority – Strategic Research & Analytics and Finance departments



EXCERPT OF RENTAL RATES PER FACILITY

Below is a basic rate guide for both the Las Vegas Convention Center and Cashman Center.

LAS VEGAS CONVENTION CENTER

CONVENTION/TRADE SHOW AND PUBLIC EVENTS

When used for commercial exhibits, the cost per individual exhibit hall is either the minimum daily rate (ranges from \$6,350 to \$31,650) or \$.29 per net square foot, whichever is greater. Exhibit halls used for catered food functions or general sessions only are at no charge. The total number of move in/move out days equal to one (1) times the number of show days are at no charge. Additional move in/move out days are at 50% of the charged rate per day.

When exhibit halls are used for commercial exhibits and meeting rooms are used for association's use, meeting rooms will be provided in the amount of 10 complimentary meeting rooms per 100,000 square feet of exhibit space used in the North and Central Halls. Meeting rooms in the South Halls are assigned. Additional rooms will be charged the minimum daily room rate (ranges from \$150 to \$1,650). This includes a one-time set-up per day – i.e. lights, heat, air, custodial and sound services. Change-overs and revised room set-ups will be charged the daily room rate. Meeting rooms used as exhibits are charged double the daily rate. If meeting rooms are sublet, they will be charged the minimum daily rate or 15% of their sublease rate, whichever is greater. Rental of meeting rooms only is at the daily rate.

Parking fees are \$10.00 per space per day with in and out privileges.

CASHMAN CENTER

CONVENTION/TRADE SHOW

Exhibit hall rates are based on \$0.29 per net square foot or \$7,110 minimum. The total days of move-in/move-out at no charge equal the number of actual show days. Extra move-in/move-out days are at 50% of the charged rate.

Meeting rooms are \$320 per day and leased at three levels:

- (1) Used by a lessee for their association meetings only, will be charged at the minimum daily rate.
- (2) Sublet by the lessee for meetings only will be charged the minimum daily rate or 15% of their sublease rate, whichever is greater.
- (3) Used for exhibit space will be charged at twice the minimum daily rate.

PUBLIC EVENT

Exhibit hall rates are set at \$4,000 per day for each hall. The total number of move in/move out days equal to one (1) times the number of show days are at no charge. Extra move-in/move-out days are charged at 50% of the charged rate.

Meeting room rental rates are \$320 per day (\$800 per day if using the Club Level Restaurant).

The theater rental rate for performances is \$3,000 per day. Business meeting use rate for the theater is \$1,250 per day. Dress rehearsals performed prior to actual show days are charged 50% of the minimum daily rate.

Parking fees are \$4.00 per car per day with no in and out privileges.

As referenced against closed-to-the-public conventions and trade shows, public invited events come in a wide variety of compositions and are subject to different rate classifications: full rental, half rental and cost reimbursable.

STATISTICAL DATA

DEMOGRAPHIC STATISTICS - CLARK COUNTY, NEVADA LAST TEN FISCAL YEARS

Even though Clark County combines the glamorous gaming and entertainment mecca of Las Vegas alongside rural living, it is not much different from other counties its size. There are parks, museums, libraries and religious centers.

The median age of the entire population is 36.4, with approximately 24.4% of the total population under 18 years of age. The Clark County School District is the 5th largest in the nation. It has a total of 357 schools. The median household income is \$59,887.

Per the Census Bureau, Clark County is the nation's 13th most populous county in the United States. The population in FY 2013 increased 2% as compared to FY 2012.

| Entity | Incorporation Date | 2013 Population | Square Miles (approx.) |
|--------------|--------------------|-----------------|------------------------|
| Clark County | 1909 | 899,622 | 7,220 |
| Las Vegas | 1911 | 598,520 | 133 |
| N. Las Vegas | 1946 | 226,199 | 100 |
| Henderson | 1953 | 274,270 | 105 |
| Boulder City | 1958 | 15,635 | 208 |
| Mesquite | 1984 | 17,477 | 32 |

Source: population estimates - Nevada State Demographer, square miles from the Las Vegas Perspective.

Further statistics that reflect the local economy are shown below.

| AS OF JUNE 30, | POPULATION (A) | LABOR FORCE (B) | UNEMPLOYMENT RATE (B) |
|----------------|----------------|-----------------|-----------------------|
| 2004 | 1,715,337 | 834,230 | 4.80% |
| 2005 | 1,796,380 | 875,710 | 4.30% |
| 2006 | 1,874,837 | 915,440 | 4.30% |
| 2007 | 1,954,319 | 936,950 | 4.70% |
| 2008 | 1,967,716 | 968,980 | 6.30% |
| 2009 | 1,952,040 | 986,350 | 12.40% |
| 2010 | 1,968,831 | 970,653 | 15.30% |
| 2011 | 1,967,722 | 991,963 | 14.40% |
| 2012 | 1,988,195 | 991,956 | 11.80% |
| 2013 | 2,031,723 | 983,147 | 8.90% |

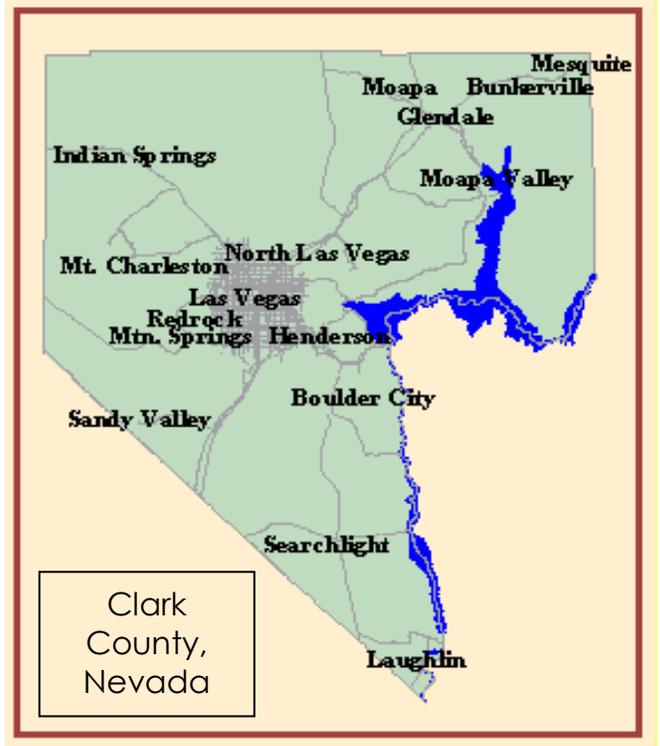
Sources:

(A) December 31 population estimates from the Nevada State Demographer.

(B) December 31 labor force statistics and unemployment rates from the Nevada Dept. of Employment, Training & Rehabilitation – Information Development & Processing Division – Research & Analysis Bureau (figures rounded).

(C) Starting with calendar year 2008 - median age calculation includes entire population; previously it was the adult population only.

All other statistics are as of December 31 and are from the Las Vegas Perspective.



Source: <http://gisgate.co.clark.nv.us/gismo/gismo.htm>

| AS OF DEC 31, | MEDIAN HOUSEHOLD INCOME | MEDIAN AGE (C) | SCHOOL ENROLLMENT |
|---------------|-------------------------|----------------|-------------------|
| 2004 | 47,097 | 47.5 | 295,165 |
| 2004 | 47,097 | 47.5 | 295,165 |
| 2005 | 47,320 | 47.9 | 304,444 |
| 2006 | 53,111 | 47.5 | 315,697 |
| 2007 | 53,704 | 50.1 | 323,037 |
| 2008 | 57,403 | 35.7 | 330,519 |
| 2009 | 58,148 | 35.3 | 323,607 |
| 2010 | 58,432 | 35.4 | 323,637 |
| 2012 | 50,962 | 36.2 | 325,179 |
| 2013 | 50,454 | 36.4 | 329,034 |

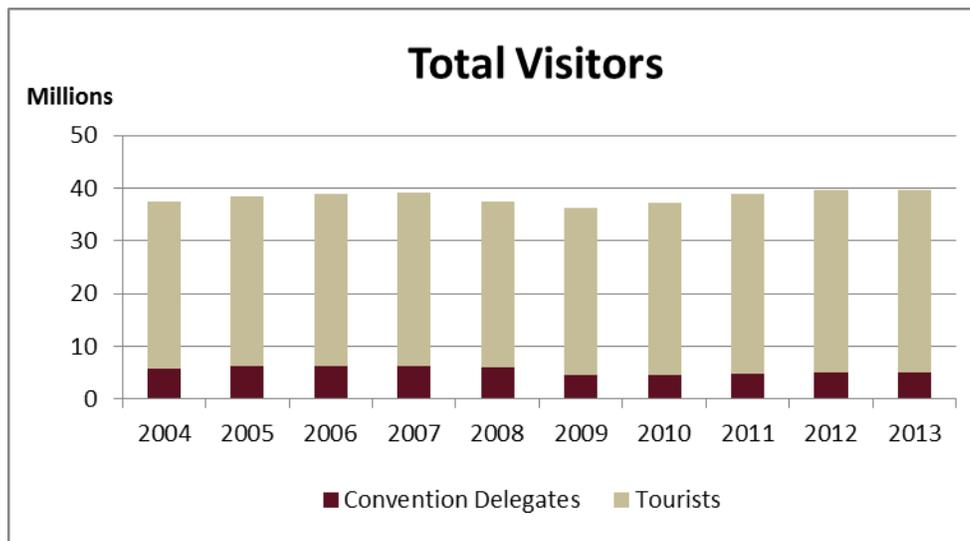
STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the hotel/gaming/recreation industry, which employs 32.2% of the labor force. The health of the hotel/gaming industry is directly related to the volume of visitors, presented below. In 2013, the total number of visitors to Las Vegas surpassed the peak year of 2007, the recent improvement in the recovery of the economy has shown visitor volume increasing over the last three years and growth of 12% since 2004.

| CALENDAR YEAR | CONVENTION DELEGATES | % OF TOTAL VISITORS | TOURISTS | % OF TOTAL VISITORS | TOTAL VISITORS | INCREASE / (DECREASE) |
|---------------|----------------------|---------------------|------------|---------------------|----------------|-----------------------|
| 2004 | 5,724,864 | 15.30% | 31,663,917 | 84.70% | 37,388,781 | 5.20% |
| 2005 | 6,166,194 | 16.00% | 32,400,523 | 84.00% | 38,566,717 | 3.20% |
| 2006 | 6,307,961 | 16.20% | 32,606,928 | 83.80% | 38,914,889 | 0.90% |
| 2007 | 6,209,253 | 15.80% | 32,987,508 | 84.20% | 39,196,761 | 0.70% |
| 2008 | 5,899,725 | 15.74% | 31,581,827 | 84.26% | 37,481,552 | -4.38% |
| 2009 | 4,492,275 | 12.36% | 31,859,194 | 87.64% | 36,351,469 | -3.02% |
| 2010 | 4,473,134 | 11.98% | 32,862,302 | 88.02% | 37,335,436 | 2.71% |
| 2011 | 4,865,272 | 12.50% | 34,063,436 | 87.50% | 38,928,708 | 4.27% |
| 2012 | 4,944,014 | 12.44% | 34,783,008 | 87.56% | 39,727,022 | 2.05% |
| 2013 | 5,107,416 | 12.88% | 34,560,805 | 87.12% | 39,668,221 | -0.15% |

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Strategic Research & Analytics



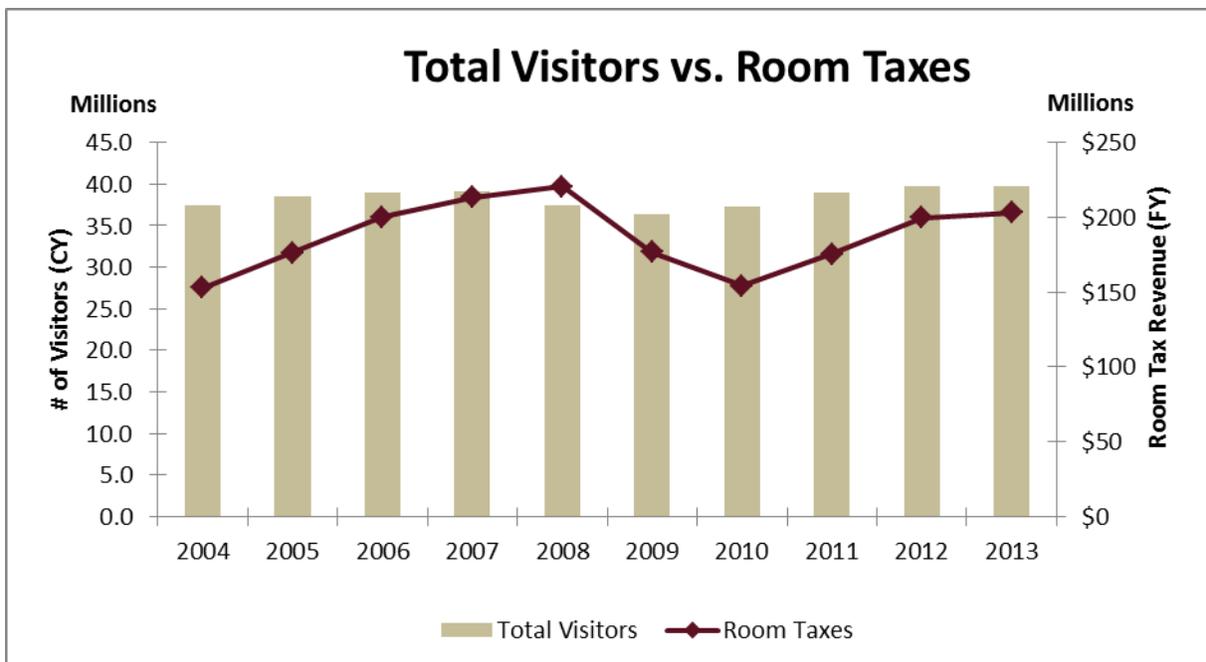
STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS (continued)

Strong visitor levels produce beneficial secondary effects in other industries as well, since visitors purchase a significant amount of goods and services while they visit the area. Visitors to Las Vegas in 2013 contributed nearly \$45.2 billion to the economy of the area. Indicators of the economic impact include total gaming revenues in Clark County and room taxes collected on behalf of the LVCVA.

| CALENDAR YEAR | TOTAL VISITORS | INCREASE / (DECREASE) | GAMING REVENUES (000) | INCREASE / (DECREASE) | ROOM TAXES (Fiscal Year) | INCREASE / (DECREASE) |
|---------------|----------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| 2004 | 37,388,781 | 5.20% | 8,711,244 | 11.20% | 153,119,151 | 17.10% |
| 2005 | 38,566,717 | 3.20% | 9,716,860 | 11.50% | 176,339,258 | 15.20% |
| 2006 | 38,914,889 | 0.90% | 10,643,824 | 9.60% | 200,086,827 | 13.50% |
| 2007 | 39,196,761 | 0.70% | 10,868,554 | 2.10% | 213,256,076 | 6.60% |
| 2008 | 37,481,552 | -4.38% | 9,796,723 | -9.86% | 220,733,128 | 3.51% |
| 2009 | 36,351,469 | -3.02% | 8,838,235 | -9.78% | 176,726,992 | -19.94% |
| 2010 | 37,335,436 | 2.71% | 8,908,630 | 0.80% | 154,046,265 | -12.83% |
| 2011 | 38,928,708 | 4.27% | 9,222,680 | 3.53% | 175,425,978 | 13.88% |
| 2012 | 39,727,022 | 2.05% | 9,399,882 | 1.92% | 199,592,498 | 13.78% |
| 2013 | 39,668,221 | -0.15% | 9,676,458 | 2.94% | 203,196,429 | 1.81% |

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Strategic Research & Analytics and Nevada State Gaming Control Board



STATISTICAL DATA

VISITOR DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

The Las Vegas Convention and Visitors Authority conducts and compiles various research information on visitors to gain a better understanding of the composition of the Clark County visitor and to tailor advertising campaigns. The median age is 45.8 with 42% of visitors between the ages of 21 to 39, 34% between 40 and 59, and 24% over 60. The majority of visitors are married and employed. Further statistics regarding visitors to Las Vegas are shown below:

| AS OF DECEMBER 31, | GENDER | | MEDIAN AGE | MARITAL STATUS | | | JOB CATEGORIES | | |
|-----------------------|--------|--------|---------------|----------------|--------|--------|----------------|---------|---------|
| | Male | Female | | Married | Single | Other* | Employed | Retired | Other** |
| 2004 | 52% | 48% | 49 | 73% | 17% | 10% | 67% | 26% | 7% |
| 2005 | 51% | 49% | 47.7 | 74% | 16% | 10% | 67% | 24% | 9% |
| 2006 | 52% | 48% | 48 | 79% | 14% | 7% | 70% | 24% | 6% |
| 2007 | 50% | 50% | 49 | 79% | 14% | 7% | 67% | 26% | 7% |
| 2008 | 51% | 49% | 50.6 | 80% | 13% | 7% | 66% | 28% | 6% |
| 2009 | 50% | 50% | 50 | 78% | 15% | 7% | 65% | 28% | 7% |
| 2010 | 50% | 50% | 49.2 | 79% | 14% | 7% | 66% | 27% | 7% |
| 2011 | 51% | 49% | 49 | 77% | 15% | 8% | 66% | 25% | 9% |
| 2012 | 51% | 49% | 44.8 | 75% | 18% | 7% | 69% | 19% | 12% |
| 2013 | 50% | 50% | 45.8 | 79% | 15% | 6% | 67% | 20% | 13% |

Source: [Las Vegas Visitor Profile Study](#)

*Marital Status - Other includes separated, divorced or widowed.

** Job Categories - Other includes student, homemaker or unemployed.

| AS OF DECEMBER 31, | Foreign | UNITED STATES OF AMERICA | | | |
|-----------------------|---------|--------------------------|--------------------|----------------------|-------------------|
| | | Eastern States | Southern States | Midwestern States | Western States |
| 2004 | 13% | 9% | 13% | 17% | 48% |
| 2005 | 12% | 9% | 13% | 14% | 52% |
| 2006 | 13% | 8% | 13% | 14% | 52% |
| 2007 | 12% | 9% | 13% | 14% | 52% |
| 2008 | 15% | 8% | 13% | 12% | 52% |
| 2009 | 14% | 7% | 11% | 12% | 55% |
| 2010 | 18% | 6% | 11% | 12% | 54% |
| 2011 | 16% | 6% | 12% | 11% | 55% |
| 2012 | 17% | 7% | 11% | 11% | 54% |
| 2013 | 20% | 6% | 12% | 10% | 52% |

Source: [Las Vegas Visitor Profile Study](#)

Eastern states: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Midwestern States: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Western States: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada (excluding Clark County), New Mexico, Oregon, Utah, Washington, and Wyoming.

STATISTICAL DATA

PRINCIPAL ROOM TAX PAYERS DECEMBER 31, 2013

The primary source of revenue for the LVCVA is from room taxes imposed on hotels and motels in Clark County. The hotels listed below represent the ten largest hotel properties in Clark County and, accordingly, are in the group that generates the greatest volume of room taxes for the LVCVA.

| | Rooms at <u>December 31</u> |
|-----------------------------------|--------------------------------|
| MGM Grand | 5,044 |
| Luxor | 4,400 |
| Mandalay Bay (including THEhotel) | 4,328 |
| Venetian | 4,027 |
| Aria | 4,004 |
| Excalibur | 3,991 |
| Bellagio | 3,933 |
| Caesar's | 3,776 |
| Circus Circus | 3,767 |
| Flamingo Las Vegas | 3,460 |
| Total Top 10 Hotels | 40,730 |
| Total Jean/Primm | 2,944 |
| Other hotels/motels | <u>106,919</u> |
| Total Las Vegas metropolitan area | 150,593 |
| Total Laughlin | 10,333 |
| Total Mesquite | <u>1,736</u> |
| Total Inventory of Rooms | <u>162,662</u> |

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Strategic Research & Analytics

Note: Other hotels/motels does not include timeshare properties.

STATISTICAL DATA

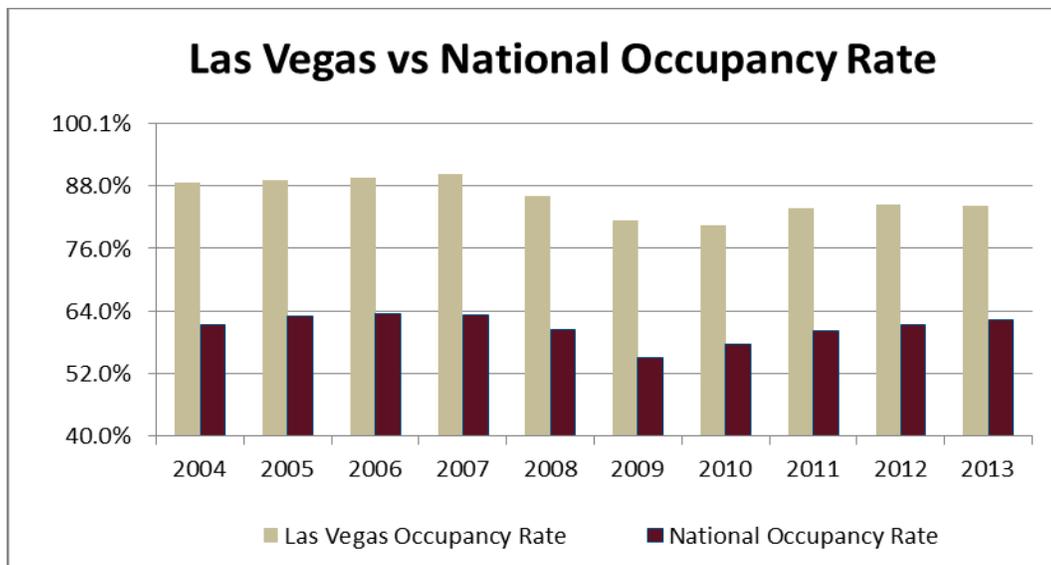
OCCUPANCY RATE LAST TEN CALENDAR YEARS

In spite of the increasing availability of rooms, the occupancy rate for Las Vegas continues to grow, exceeding the national average by 22 points for calendar year 2013.

| <u>Calendar Year</u> | <u>Total Visitor Volume</u> | <u>Rooms Inventory*</u> | <u>Occupancy Percentage</u> | <u>Average Rooms Occupied Daily</u> | <u>Average Daily Rate</u> | <u>National Occupancy Percentage</u> |
|----------------------|-----------------------------|-------------------------|-----------------------------|-------------------------------------|---------------------------|--------------------------------------|
| 2004 | 37,388,781 | 131,503 | 88.6% | 116,512 | 89.78 | 61.3% |
| 2005 | 38,566,717 | 133,186 | 89.2% | 118,802 | 103.12 | 63.1% |
| 2006 | 38,914,889 | 132,605 | 89.7% | 118,947 | 119.66 | 63.4% |
| 2007 | 39,196,761 | 132,947 | 90.4% | 120,184 | 132.09 | 63.2% |
| 2008 | 37,481,552 | 140,529 | 86.0% | 120,855 | 119.19 | 60.4% |
| 2009 | 36,351,469 | 148,941 | 81.5% | 115,196 | 93.19 | 55.1% |
| 2010 | 37,335,436 | 148,935 | 80.4% | 119,744 | 94.91 | 57.6% |
| 2011 | 38,928,708 | 150,161 | 83.8% | 125,905 | 105.11 | 60.1% |
| 2012 | 39,727,022 | 150,481 | 84.4% | 127,006 | 108.08 | 61.4% |
| 2013 | 39,668,221 | 150,593 | 84.3% | 126,950 | 110.72 | 62.3% |

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Strategic Research & Analytics

*Total Las Vegas metropolitan area includes properties in the Jean/Primm area.



STATISTICAL DATA

ROOM TAX RATE DISTRIBUTION BY JURISDICTION AS OF JUNE 30, 2014

Distributed to:
 State of Nevada²
 Clark County School District
 Collecting Jurisdiction
 County Transportation³
 Fremont St. Experience⁴
 LVCVA
 Total Room Tax Rate

| CLARK COUNTY | | |
|---------------|-------------------------------------|--------------------------------------|
| Resort Hotels | Others Within 35 miles ¹ | Others Outside 35 miles ¹ |
| 3 3/8 | 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 | 1 5/8 |
| 1 | 2 | 2 |
| 1 | 1 | 1 |
| 0 | 0 | 0 |
| 5 | 4 | 2 |
| 12 | 12 | 10 |

| LAS VEGAS | | |
|----------------|---------------|--------|
| Down-town | Resort Hotels | Others |
| 2 3/8 or 3 3/8 | 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 | 1 5/8 |
| 1 | 1 | 2 |
| 1 | 1 | 1 |
| 2 or 1 | 0 | 0 |
| 5 | 5 | 4 |
| 13 | 12 | 12 |

Distributed to:
 State of Nevada²
 Clark County School District
 Collecting Jurisdiction
 County Transportation³
 LVCVA
 Total Room Tax Rate

| NORTH LAS VEGAS | |
|-----------------|--------|
| Resort Hotels | Others |
| 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 |
| 1 | 2 |
| 1 | 1 |
| 5 | 4 |
| 12 | 12 |

| HENDERSON | |
|---------------|--------|
| Resort Hotels | Others |
| 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 |
| 2 | 2 |
| 1 | 1 |
| 5 | 4 |
| 13 | 12 |

| BOULDER CITY | |
|---------------|--------|
| Resort Hotels | Others |
| 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 |
| 0 | 0 |
| 1 | 1 |
| 6 | 4 |
| 12 | 10 |

Source: Annual City/County Transient Lodging Tax Report as filed with the State of Nevada – Department of Taxation.

¹ Reference is to distance from the Las Vegas Convention Center.

² Includes both the 3/8 of 1% for the Nevada Commission on Tourism enacted in 1983 and the 3% enacted by the State of Nevada in 2009. This applies only to counties whose population exceeds 300,000. (i.e. Clark and Washoe Counties only). The monies generated by this additional room tax are to fund education and other state programs.

³ Enacted by the Clark County Commission in 1991.

⁴ Enacted by the Las Vegas City Council in 1993. The Fremont Street Experience is a downtown revitalization project. This room tax applies only to properties within a specified geographic area.

RESORT HOTEL DEFINITIONS BY JURISDICTION

Clark County – An establishment having a casino containing not less than three games.

Las Vegas – A hotel having seventy-five or more rooms.

North Las Vegas – A hotel having one hundred or more rooms and a casino containing not less than three games.

Henderson – An establishment renting rooms and having a casino on the same premises containing not less than three games.

Boulder City – An establishment having one hundred or more rooms.

Mesquite – No distinction between resort hotels and other transient lodging establishments.

GLOSSARY

The annual budget contains terminology unique to governmental finance and budgeting. To assist the reader of the budget document in understanding these terms, the following glossary has been compiled.

Account Group

A self-balancing set of accounts that have no expendable financial resources. Account groups are used to maintain records of general long-term debts and general fixed assets.

Accounting System

The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an organization.

Accrual Basis Accounting

A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Activation

The integration of a public relations outreach with a sales event.

Activity

A financial and budgeting classification of similar endeavors or groupings of organizational units performing a specific and distinguishable type of work. In the LVCVA's organizational chart, activities generally relate to departments.

Air Line Lift

The number of airline seats available to a specific destination during a specific period.

Appropriation

An authorization made by the Board of Directors that permits the LVCVA to incur obligations and to make expenditures of resources.

Augmentation

An action increasing total appropriations. Augmentations are governed by State statute and require formal resolution by the Board of Directors.

BABS

An abbreviation for Build America Bonds.

Balanced Budget

A budget in which proposed funds or revenues available are equal to or exceed planned fund expenditures.

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

Budget

A financial plan for a specified period of time (fiscal year).

Budget Document

The instrument prepared by the Finance Department and supporting staff that presents a comprehensive budget.

Budget Message

The opening section of the budget document that provides a general summary of the most important aspects of the budget and discusses significant changes from the current and previous fiscal years.

Budgetary Control

The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available resources.

Build America Bonds

A financial tool for state and local governments to access conventional corporate debt markets and issue taxable bonds with a direct federal subsidy on the interest. The program lowers net borrowing costs and allows governments to reach more sources of borrowing than with more traditional tax-exempt bonds.

CAFR

An abbreviation for Comprehensive Annual Financial Report.

Capital Asset

A financial resource meeting all of the following criteria: (1) generally tangible in nature (software is the exception); (2) useful life greater than one year; (3) not a repair part or supply item; and (4) original cost greater than the capitalization threshold.

Capital Budget

A plan of proposed capital outlays and the means of financing them.

Capital Expenditure (aka Capital Outlay)

A purchase or improvement of a tangible fixed asset (i.e. land, buildings, furniture) with a cost of \$3,000 or more and a useful life of at least one year.

Capital Improvement Plan

A financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period.

Capital Projects Fund

A fund used to account for financial resources to be used for the acquisition or construction of capital assets.

Capitalization Threshold

The level of cost at which an asset becomes subject to control and reporting as a fixed asset.

Cash Basis Accounting

A system of accounting in which transactions are recorded, and revenues and expenses are recognized, only when cash is received or paid.

CC

An abbreviation for Cashman Center.

CIP

An abbreviation for capital improvement plan.

CMMS

An abbreviation for Computerized Maintenance Management Software.

CMS

An abbreviation for Contact Management system.

Commercial Paper

A short-term negotiable paper arising from business transactions.

Contact Management System

A software program that enables users to store and find contact information such as names, addresses, and telephone numbers.

GLOSSARY

Coterminous

In conjunction with term of office.

CRM

Abbreviation for Customer Relationship Management system.

Customer Relationship Management

A strategy for managing an organizations interactions or contacts with customers, clients and sales prospects.

Debt Service Fund

A fund established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Debt Service Requirements

The amount of resources that must be provided so that all principal and interest payments can be made in full on schedule.

Defeased

Retirement of debt of a state or local governmental unit in an indirect manner.

Department

A grouping in the organizational structure of related sections or units.

Depreciation

The process of allocating the cost of tangible property over a period of time, rather than expensing the entire cost in one year. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

Division

A major grouping in the organizational structure of related activities within a functional area.

EAC

An abbreviation for Exhibitor Appointed Contractor.

EFT

An abbreviation for electronic funds transfer; an automated means of payment.

Employee Benefits

A budget category that is comprised of retirement, insurance, unemployment and educational assistance expenses.

Encumbrance

The legal commitment of appropriated funds to purchase an item or service. To encumber means to set aside or commit funds for a future expenditure.

Expenditure

The amount of cash paid or to be paid for a service rendered, goods received or an asset purchased.

FAM

An abbreviation for familiarization trip.

Fiduciary Fund Type

A fund used to account for assets held by a government in a trust capacity or as an agent for others.

Fiscal Year (FY)

A consecutive twelve-month period signifying the beginning and ending period for recording financial transactions. The LVCVA has designated July 1 to June 30 as its fiscal year.

GLOSSARY

Fixed Asset

See capital asset.

FTE

An abbreviation for full-time employee.

FYE

An abbreviation for fiscal year ending.

Function

Financial and budgeting classification of a group of related activities aimed at accomplishing a broad goal or a major service. In the LVCVA's organizational chart, functions generally relate to divisions.

Fund

A separate self-balancing accounting entity. Resources are allocated to and accounted for in a particular fund based on the purposes of expenditures and the means of controlling them.

Fund Balance

The excess of assets over its liabilities in a governmental fund.

GAAP (Generally Accepted Accounting Principles)

A body of accounting and financial reporting standards set by the Governmental Accounting Standards Board (GASB) for state and local governments, and by the Financial Accounting Standards Board (FASB) for private sector organizations.

General Fund

The general fund accounts for all of the financial resources not specifically accounted for in another fund.

General Obligation Bonds

G.O. bonds have the full faith and credit of the LVCVA pledged to the repayment of the bonds. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose.

GFOA

An abbreviation for Government Finance Officers Association.

Goal

A statement of broad direction, purpose, or intent.

Governmental Fund Type

A fund used to account for general governmental activities. Includes the general fund, capital projects funds, debt service funds and internal service fund.

Grant

A contribution or gift to be used or expended for a specified purpose or activity.

Green Items

Products and services with reduced effects on human health and the environment.

Intranet

A network operating like the Internet but having access restricted to a limited group of authorized users (such as employees of a company).

GLOSSARY

Internal Service Fund

A fund used to account for goods or services given to one department by another on a cost reimbursement basis. The LVCVA uses the fund to accumulate reserves for future other post-employment benefit costs.

Inventory

The process of verifying physical fixed assets with records of fixed assets.

LGBT

Abbreviation for Lesbian, Gay, Bisexual and Transgender.

LVCC

Abbreviation for Las Vegas Convention Center.

LVGBD

Abbreviation for Las Vegas Global Business District.

Las Vegas Global Business District

An overarching vision for the Las Vegas Convention Center and surrounding neighborhood to transform into an international business center.

Las Vegas Territory

Refers to the area that encompasses the City of Las Vegas and surrounding towns and cities located within Clark County.

Line-Item Budget

A budget that lists each expenditure category (salary, telephone, travel, etc.) separately, along with a dollar amount budgeted for each specific account.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Accounting

A basis of accounting. Revenues are recognized, and any related receivable is recorded, when they become both measurable and available. Expenditures are recognized when the liability is incurred, except for unmatured principal and interest on long-term debt, which is recognized when due.

NASCAR

An abbreviation for National Association for Stock Car Auto Racing.

NDOT

An abbreviation for Nevada Department of Transportation.

NRS

An abbreviation for Nevada Revised Statutes.

Objective

A statement of specific direction, purpose, or intent based on the goals established for a particular function.

OPEB

An abbreviation for Other Post-Employment Benefits.

Operating Budget

The portion of the budget that pertains to daily operations. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

GLOSSARY

Operating Transfer

Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Organizational Unit

Financial and budgeting classification for a responsibility unit within a government. Organizational units, which relate to sections in the structure of the LVCVA are the basic unit of the operating budget.

Original Cost

The invoice amount paid to the supplier of an item plus any other costs incurred to make the item capable of being used. Original cost includes shipping and installation.

Other Post-Employment Benefits

Post-employment benefits generally take the form of pensions and healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. Las Vegas Convention and Visitors Authority (LVCVA) retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums.

PERS

An abbreviation for Public Employees Retirement System.

P/R

An abbreviation for public relations.

Purchase Order

A document authorizing the delivery of specific merchandise or the rendering of specific services.

Residual Equity Transfer

Nonrecurring or non-routine transfer of equity between funds. It does not represent expenditures of the transferring fund, but may represent the creation or expansion of a fund or the liquidation or contraction of a fund.

Resources

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue Bonds

Bonds that pledge a specific dedicated revenue source for their repayment.

Revenues

Resource increases from the sale of services or goods derived primarily from normal operations.

Salaries and Wages

A budget category comprised of all full-time and temporary employee salaries including overtime and retirement payouts.

Salvage Value

The amount for which the asset could be sold at the end of its useful life.

Services and Supplies

A budget category that includes those goods and services that are consumed and purchased on a regular basis (i.e. office supplies, utilities, repair and maintenance).

SMERF

An abbreviation for Social, Military, Education, Religious and Fraternal markets.

GLOSSARY

Social Media

Software tools that allow users to generate content, engage in conversations and exchange content.

Tangible

An item capable of being touched.

Up gauge

Replacing lower seating capacity aircraft equipment with higher seating capacity aircraft equipment.

Useful Life

The number of months or years that an asset is estimated to be used for the purpose for which it was purchased.

Weighted Net Gain

Used for estimating room tax revenue, the number of new rooms of the destination based on opening dates throughout the fiscal year.